



Doing Business in Lebanon

2012 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Lebanon

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Market Overview

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Lebanon has a population of 3.96 million, according to International Monetary Fund (IMF) statistics. It was the 54th largest market for U.S. exports in 2010, according to U.S. Department of Commerce statistics. The Lebanese Customs Authority reported that Lebanon's total imports in 2011 reached approximately \$20 billion, of which \$1.99 billion (constituting 9.9 percent of the total) came from the United States.

In 2011, the United States ranked as Lebanon's number one trading partner ahead of Italy, China, France and Germany. According to Lebanese Customs statistics, major U.S. exports to Lebanon were mineral fuel and oil (\$1,066 billion), vehicles (\$186 million), machinery (\$176 million), pharmaceutical products (\$85 million), cereals (\$82 million), medical equipment (\$63 million), and electrical equipment (\$47 million).

Real GDP growth is estimated to have slowed from 7.5 percent in 2010 to 1.5 percent in 2011, according to IMF preliminary estimates, with nominal GDP estimated at \$41.5 billion in 2011. The IMF forecasts that growth could reach around two percent in 2011, which is in line with Banque du Liban's (BdL) estimates. The BdL projects real GDP growth could reach four percent in 2012, with six percent inflation (versus four percent in 2011).

Lebanon's economy follows a laissez-faire model. Most of the economy is dollarized, and the country has no restrictions on the movement of capital across its borders. The Lebanese government's intervention in foreign trade is minimal.

Lebanon faces major financial challenges, notably a very high level of public debt and large external financing needs. Moreover, the political and security instability in the Arab world, especially in Syria, is expected to have a negative impact on the domestic business and economic environment.

The U.S. Government has neither a bilateral investment treaty (BIT) with Lebanon nor an agreement on the avoidance of double taxation. However, the U.S. Government has signed a Trade and Investment Framework Agreement (TIFA) with the Government of Lebanon to help promote an attractive investment climate, expand trade relations, and remove obstacles to trade and investment between the two countries. Since 1999, Lebanon has had observer status at the World Trade Organization (WTO). In 2006, Lebanon signed an association agreement with the European Union.

Market Challenges

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Starting a new business in Lebanon is relatively simple and open to all, but petty corruption is an issue. The World Bank noted improvements in Lebanon's mechanisms for paying taxes and in business start-up procedures. According to the World Bank's Doing Business 2012 report, opening a business in Lebanon requires an average of five steps and nine days, compared to the average of 8.2 steps and 20.9 days in the MENA region.

According to Transparency International's (TI) 2011 Corruption Perception Index (CPI), Lebanon ranked 134 out of 183 countries worldwide and 14 out of 20 MENA countries. Foreign companies have complained about impediments such as arbitrary licensing decisions, complex customs procedures, archaic legislation, an ineffectual judicial system, high taxes and fees, high telecommunications charges, poor power services, slow and unreliable internet services, varying interpretation of laws, and a lack of adequate protection of intellectual property.

Lebanon adheres to the Arab League boycott of Israel. Enforcement is selective, as many goods on the boycott list are available in the Lebanese market. The Arab League's Central Boycott Office maintains a blacklist of U.S. firms that are believed to contribute to Israel's military or economic development. In accordance with U.S. anti-boycott regulations, U.S. companies may not certify that their products do not come from Israel. If there appears to be any request that might be in support of boycotts, companies should contact the Bureau of Industrial Security (BIS) in the U.S. Department of Commerce (<http://www.bis.doc.gov>).

Market Opportunities

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The Council for Development and Reconstruction (CDR) is the government's executive body responsible for tendering major projects, procuring financing for these projects, and supervising their execution. Major projects lie in transportation, electricity, telecommunications, education, solid and water waste. These projects are listed at <http://www.cdr.gov.lb>. CDR, in coordination with the concerned ministries, launches these projects.

In May 2000, parliament adopted a privatization law that established a framework for the privatization of state-owned enterprises, but privatization of state institutions has been delayed because of lack of political consensus. At the Paris III Donor Conference in 2007, the government presented a master plan for reform that included the privatization of the two mobile phone companies, the fixed line network, the electricity sector, the water sector, the national airline, and other government-owned entities. Most of these plans remain on indefinite hold.

The year 2012 is expected to offer significant investment opportunities for international companies. In the electricity sector, the Ministry of Energy and Water is expected to upgrade its generation and distribution systems. In September 2011, the parliament passed an emergency \$1.2 billion bill to boost electricity production by 700 MW. This will create commercial opportunities worth hundreds of millions of dollars. The Ministry of Energy and Water is also expected to invest over \$1 billion for water and waste water projects in the coming few years. For more information about electricity and water projects, visit the Ministry of Energy and Water website at <http://www.energyandwater.gov.lb>.

Significant investment opportunities also exist in Lebanon's offshore oil and gas exploration. In 2010, the U.S. Geological Survey estimated a mean of 1.7 billion barrels of recoverable oil and a mean of 122 trillion cubic feet of recoverable gas in the Levant Basin Province, which includes waters shared by Lebanon, Israel, Syria, and the Republic of Cyprus. In 2012, the Ministry of Energy and Water is expected to launch first round of tenders for the offshore oil and gas exploration projects.

Market Entry Strategy

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U.S. companies interested in doing business in Lebanon are advised to hire a Lebanese agent or distributor. Although working through an agent is a very common practice in Lebanon, networking and lengthy investigation are key to finding an appropriate one.

U.S. companies do not need to visit Lebanon to find an agent. The U.S. Commercial Service can help U.S. companies find the right partner through the International Partner Search (IPS) service. More information on IPS can be found at http://export.gov/lebanon/eg_lb_035712.asp

The Investment Development Authority of Lebanon (IDAL), a public agency responsible for promoting investments in Lebanon, has a "One-Stop Shop" service to issue permits and licenses for investors. Further information about IDAL and its services is available at <http://www.idal.com.lb>.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/35833.htm>

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Using an Agent or Distributor

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U.S. companies are advised to appoint a Lebanese agent or distributor when doing business in Lebanon. The agent may be a partnership, a sole proprietorship, a joint-stock company, or a limited liability company. The agent can act on behalf of the U.S. company to bid for government tenders and to market its products.

The U.S. Commercial Service can help U.S. companies find reliable agents through the International Partner Search (IPS) service. More information on IPS can be found at http://export.gov/lebanon/eg_lb_035712.asp.

Establishing an Office

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A foreigner who wishes to establish a business branch in Lebanon must have a residence permit from Sûreté Générale and a work permit from the Ministry of Labor. Foreign companies need a license to operate from the Ministry of Economy and Trade. U.S. companies may operate through local branches, provided they obtain a “receipt of acknowledgement” from the Ministry of Economy and Trade and register in a local commercial court. For trade activity, the company must be registered at any of the four regional chambers of commerce and industry.

The Investment Development Authority of Lebanon (IDAL) has a “One-Stop Shop” service to issue permits and licenses for investors. Further information about IDAL and its services are available at <http://www.idal.com.lb>.

Franchising

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Franchising is one of the fastest growing business sectors in Lebanon. Franchising opportunities are most common in the fast food sector. Major American food franchises present in Lebanon are Applebee's, Baskin Robbins, Burger King, Chili's, Clucksters', Domino's Pizza, Dunkin' Donuts, Fuddruckers, Häagen-Dazs, Hardees, Hard Rock Café, KFC, Krispy Kreme, Marble Slab Creamery, McDonald's, Pizza Hut, Starbucks, Subway and T.G.I. Friday's.

Franchising opportunities are also available in the area of clothing, and numerous U.S. and international brands have opened stores in Lebanon. Franchising has great potential in the services sector, as well. Major service-related American franchises in Lebanon include Berlitz, Century 21, Chem Dry, Coldwell Banker, Hertz Car Rental, New Horizons, Thrifty Car Rental, and Ziebart.

In April 2008, the Lebanese Franchise Association (LFA) signed a memorandum of understanding with the International Franchise Association to foster international training and sharing of information. LFA will host its second Beirut International Franchise Forum on May 23- 24, 2012. The forum aims to gather franchisors and potential franchisees from the Middle East. For more information about LFA, visit <http://www.lfalebanon.com>.

Direct Marketing

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With around \$100 million spent annually on advertising, the advertising industry has proven to be the most effective marketing channel in Lebanon. Advertising commonly relies on TV, radio, and billboards.

Marketing can be also achieved through trade fairs and exhibitions. Numerous international fairs are held in Lebanon every year, with significant participation from European, Asian, Middle Eastern, and, increasingly, U.S. companies. For additional information about trade fairs in Lebanon, please go to http://export.gov/lebanon/tradefairsinlebanon/eg_lb_037175.asp.

Joint Ventures/Licensing

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Joint ventures in Lebanon are established through a contract, prepared by legal advisors, between at least two partners and it is not necessary to publicize the formalities. Lebanese law does not require joint ventures to be registered in the Commercial Register.

Licenses are usually issued by the Investment Development Authority of Lebanon (IDAL). Further information about IDAL and its services is available at <http://www.idal.com.lb>

Selling to the Government

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The Council for Development and Reconstruction (CDR), a public authority established in 1977, is the government unit responsible for large projects in all sectors. These projects are usually carried out through public tenders, although purchases are occasionally made via direct contract when attractive financing protocols are made available by the foreign companies' governments. More information about CDR and its projects can be found at <http://www.cdr.gov.lb>.

The Lebanese government comprises 22 ministries that can carry out public tenders, which are usually published on the ministries' websites. A list of ministries and their websites can be found in chapter 9. U.S. companies can apply directly for these tenders or can rely on local agents to bid on their behalf.

Distribution and Sales Channels

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Most products imported to Lebanon enter either through the Beirut International Airport (BIA) or the Beirut Port. Foreign exporters rely on local companies both to receive the imported products at the Beirut Port and BIA after they are cleared by local or international expeditors from the customs authority and to distribute them subsequently in the market. Although traditional markets and souks exist in Lebanon, most products are distributed through modern retail stores, shopping malls, department stores and supermarket chains spread throughout the country.

Major shopping malls and department stores in Lebanon include ABC, Beirut Mall, Beirut Souks, CityMall, and Le Mall. Major supermarket chains include Le Charcutier Aoun, Fahed Supermarket, Metro Superstore, Spinneys, and The Sultan Center (TSC).

Selling Factors/Techniques

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The Lebanese market is generally characterized as being free and price sensitive. Sales material can be in English, French, or Arabic. Many European and Asian brands introduced into the market have managed to gain a considerable market share, but high quality U.S. products are still valued by high-end consumers who appreciate quality, technology, innovation, and added value. Moreover, demand for U.S. goods has increased due to the decline of the dollar relative to the euro.

Exclusive rights are a common practice in the Lebanese market, and Lebanese companies usually request exclusive rights when signing agency agreements with foreign companies. Therefore, U.S. companies are encouraged to work with one exclusive agent to represent their products in Lebanon.

Electronic Commerce

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E-commerce is in its early stages in Lebanon. Some e-commerce ventures, such as online shops, auctions, services, and content publishing, have been established. However, these ventures remain limited due to the continuing lack of a legal and regulatory framework for e-transactions. Moreover, the Lebanese populace has yet to be convinced of the reliability of online transactions, and Internet and telecommunications prices remain high. In 2004, the European Union financed the establishment of a project in Lebanon to promote the development of e-commerce. More information on this project can be found at <http://www.economy.gov.lb/index.php/project/2/12>.

Trade Promotion and Advertising

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Lebanon is considered a regional center for the advertising industry, with offices serving most of the Arab region, including the Gulf countries. Lebanon itself enjoys a

sophisticated domestic audience and a thriving media sector. There are 11 television stations, 16 newspapers, over 30 magazines, and many radio stations.

Television remains the favored medium of advertising and captures half of the advertising market. Other media include print, billboards, and radio.

There are many Arabic-language dailies in Lebanon, as well as the English-language *Daily Star* (<http://www.dailystar.com.lb>) and the French-language *L'Orient Le Jour* (<http://www.lorientlejour.com>). Most newspapers have websites displaying the latest news on Lebanon.

The following are major trade fair organizers in Lebanon:

- International Fairs and Promotion (<http://www.ifpexpo.com>)
- Promofair (<http://www.promofair.com.lb>)
- BIEL Center (<http://www.bielcenter.com>)
- Hospitality Services (<http://www.hospitalityservices.com.lb>)

Major business magazines are the English-language *Lebanon Opportunities* (<http://www.opportunities.com.lb>), *Executive Magazine* (<http://www.executive-magazine.com>), *Today's Outlook* (<http://www.todaysoutlook.com>), *Arab Ad Magazine* (<http://www.arabadmag.com>), the French-language *Le Commerce du Levant* (<http://www.lecommercedulevant.com>), and the Arabic-language *Bloomberg Business Week*, and *Al-Morakeb Al-Inmai* (<http://www.almorakebalinmai.com>).

Pricing

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Imported goods are subject to customs duties and a value-added tax (VAT) of 10 percent. The Consumer Protection Department at the Ministry of Economy and Trade sets the price of local Lebanese flat bread (note that other types of bread, such as baguettes or sliced sandwich bread, are not affected by these regulations), the Ministry of Energy and Water sets the prices of petroleum derivatives, and the Ministry of Public Health sets the prices of pharmaceuticals. The Technical Center for Price Control at the Ministry of Economy and Trade surveys supermarket prices of consumer goods every two months, and the Ministry of Health also controls the price of pharmaceuticals.

Sales Service/Customer Support

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A number of leading Lebanese companies have sales service and customer support units, and such services are critical to maintaining market share. Lebanon has passed and implemented a Consumer Protection Law, which calls for the establishment of mechanisms for better protection of consumers. The Consumer Protection Directorate at the Ministry of Economy and Trade has a call center (1739) to receive consumer's claims.

Protecting Your Intellectual Property

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IPR Climate in Lebanon

Lebanon's intellectual property (IP) legislation is generally compliant with international standards, and enforcement has improved in recent years. However, challenges

remain, particularly in the pharmaceutical industry and optical media. It is advisable that U.S. companies register their patents and trademarks at the Ministry of Economy and Trade before introducing them into the marketplace. We also recommend contacting a local lawyer whenever confronted with an IPR violation. A list of lawyers practicing in Lebanon is available at the U.S. Embassy's website at <http://lebanon.usembassy.gov> or from the Department of State's American Citizen Services Office in the Bureau of Consular Affairs at <http://www.travel.state.gov>.

In 2007, the United States Trade Representative moved Lebanon from the "Priority Watch List" to "Watch List" due to improvements in the IP enforcement regime. Problems persist, however, including with the widespread availability of pirated optical discs. Registration of copycat and counterfeit pharmaceuticals also remains problematic, although the GOL has issued a decree aimed at improving the protection of undisclosed information. Counterfeiting of trademarked goods continues. The judiciary must improve the implementation of IP laws. There are several new IP laws and amendments to old laws pending parliamentary ratification that would increase IP rights protection, if passed. Lebanon ratified the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, also known as the Internet Treaties, in February 2010 but will not be able to fully implement it without amending its Copyright Law. Legislation required to comply with the latest act of the Berne Convention for the Protection of Literary and Artistic Works is pending in parliament.

Protecting Your Intellectual Property in Lebanon:

Several general principles are important for effective management of intellectual property rights in Lebanon. First, it is important to have an overall strategy to protect your intellectual property. Second, intellectual property is protected differently in Lebanon than in the United States. Third, rights must be registered and enforced in Lebanon under local laws. Your U.S. trademark and patent registrations will not protect you in Lebanon. There is no such thing as an "international copyright" that will protect an author's writings globally. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions. In Lebanon, new products are officially protected when the patents, trademarks, and industrial designs are deposited with the Ministry of Economy and Trade, without further examination. Copyrights are protected and enforced without registration; registration is optional for Lebanese and foreign right holders.

Registration of patents and trademarks in Lebanon is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection before marketing your products or services in the Lebanese market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Lebanon. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Lebanese law. The U.S. Commercial Service can provide a list of local lawyers upon request. The list can be found on <http://lebanon.usembassy.gov/attorneys.html>.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppels, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Lebanon require constant attention. Work with legal counsel familiar with Lebanese laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, either Lebanese or U.S.-based. These include:

- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- American Lebanese Chamber of Commerce (Amcham)
- Chamber of Commerce, Industry and Agriculture Beirut (CCIAB)
- Chamber of Commerce, Industry and Agriculture Saida (CCIAS)
- Chamber of Commerce, Industry and Agriculture Tripoli (CCIAT)
- Chamber of Commerce, Industry and Agriculture Zahle (CCIAZ)
- Association of Lebanese Industrialists (ALI)
- Professional Computer Association (PCA)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Lebanon at: <http://www.export.gov/lebanon>.

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U.S. firms wishing to do business in Lebanon are encouraged to conduct due diligence on their potential partners. To verify the bona fides of Lebanese companies, U.S. firms may request the U.S. Commercial Service International Company Profile (ICP) service. The ICP report includes factual data on the Lebanese firm's management, business activities, product lines, financial condition, credit-worthiness, trading experience, market coverage, and business connections in the country, as well as an Embassy evaluation to help U.S. firms assess risks, reliability and capability. More information about ICP can be found at http://export.gov/Lebanon/eg_lb_035710.asp

Local Professional Services

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American Lebanese Chamber of Commerce: <http://www.amcham.org.lb>
 Chamber of Commerce, Industry and Agriculture Beirut and Mount Lebanon: <http://www.ccib.org.lb>
 Chamber of Commerce, Industry and Agriculture of Sidon and South Lebanon: <http://www.cciias.org.lb>
 Chamber of Commerce, Industry and Agriculture of Tripoli and North Lebanon: <http://www.cciat.org.lb>
 Chamber of Commerce, Industry and Agriculture of Zahle and Bekaa: <http://www.cciaz.org.lb>
 Association of Lebanese Industrialists: <http://www.ali.org.lb>

Professional Computer Association: <http://www.pca.org.lb>

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U.S. Commercial Service: <http://www.export.gov/Lebanon>
U.S. Embassy in Lebanon: <http://lebanon.usembassy.gov>
Ministry of Economy & Trade (MOET): <http://www.economy.gov.lb>
Council for Development and Reconstruction (CDR): <http://www.cdr.gov.lb>
Investment Development Authority of Lebanon (IDAL): <http://www.idal.com.lb>
Daily Star: <http://www.dailystar.com.lb>
L'Orient Le Jour: <http://www.lorientlejour.com>
Naharnet: <http://www.naharnet.com>
Lebanon Opportunities: <http://www.opportunities.com.lb>
Executive Magazine: <http://www.executive-magazine.com>
Today's Outlook: <http://www.rigidhost.com/~outlookm/index.php>
Arab Ad Magazine: <http://www.arabadmag.com>
Le Commerce du Levant: <http://www.lecommercedulevant.com>
Al-Iktissad Wal Amal: <http://www.iktissadevents.com>
International Fairs and Promotion: <http://www.ifpexpo.com>
Promofair: <http://www.promofair.com.lb>
BIEL Center: <http://www.bielcenter.com>
Hospitality Services: <http://www.hospitalityservices.com.lb>

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Automotive (AUT)

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	1,575,000	1,433,000	1,433,000	1,433,000
Total Local Production	0	0	0	0
Total Exports	361,000	37,000	37,000	37,000
Total Imports	1,936,000	1,480,000	1,480,000	1,480,000
Imports from the U.S.	242,000	196,000	196,000	196,000
Exchange Rate: 1 USD	LL 1507.5	LL 1507.5	LL 1507.5	LL 1507.5

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Lebanese Customs statistics – Section 17 / Chapter 87

The automotive sector in Lebanon witnessed a decline of nine percent in 2011, with total imports valued at \$1.48 billion. U.S. automotive exports to Lebanon decreased by 20 percent in 2011 to reach \$196 million, representing 13 percent of total Lebanese automotive imports. According to local importers, the automotive market in Lebanon is passing through a wait-and-see period due to the political and security instability in Lebanon and the Arab region and is expected to maintain the 2011 figures for the coming two years.

Sub-Sector Best Prospects

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Demand for Sport Utility Vehicles (SUVs) in Lebanon has been growing. According to private sector sources, around 10 percent of cars imported into Lebanon are SUVs. This percentage is expected to increase due to SUVs' heavy-duty performance on poor quality roads throughout the country. Lebanese buy American SUVs because of their competitive price, high quality, and long record of success in the market. Moreover, demand for U.S. automotive parts such as brakes, clutches, engine lubricants, and safety accessories is increasing because they have demonstrated a quality advantage over foreign competitors.

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The Lebanese Car Importers Association co-organizes the Motor Show, a bi-annual trade fair for the automotive industry in Lebanon. The Motor Show presents significant opportunities for U.S. companies to introduce their products and services to the Lebanese market. For more information, visit <http://www.promofair.com.lb>.

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Lebanon Motor Show: <http://www.promofair.com.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

U.S. Commercial Service: <http://www.export.gov/lebanon>

For additional information on Lebanon's automotive market, please contact the Embassy by e-mail at Naaman.Tayyar@trade.gov.

Drugs/Pharmaceuticals (DRG)

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	860,000	955,000	1,048,000	1,194,000
Total Local Production	18,000	18,000	18,000	18,000
Total Exports	17,000	36,000	72,000	72,000
Total Imports	859,000	973,000	1,102,000	1,248,000
Imports from the U.S.	69,000	85,000	104,000	128,000
Exchange Rate: 1 USD	LL 1507.5	LL 1507.5	LL 1507.5	LL 1507.5

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Lebanese Customs statistics – Section 6 / Chapter 30

With more than 50 pharmaceutical importers, Lebanon is the leading market of imported pharmaceutical drugs in the Levant. Total pharmaceutical imports into Lebanon reached \$973 million in 2011. Since local pharmaceutical production is still progressing, imports constitute over 95 percent of the total available products in the market. U.S. imports accounted for 8.7 percent of total imports in 2011. According to local experts, pharmaceutical imports into Lebanon for the coming two years are expected to witness the same growth that occurred between 2010 and 2011.

Sub-Sector Best Prospects

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U.S. pharmaceutical products have an advantage over European products in the biotechnology, high-tech, anti-cancer, and cardiovascular fields. Moreover, new leading American drugs that are not yet manufactured in Europe are typically well received in Lebanon.

Opportunities

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There are no specific opportunities or trade events in Lebanon geared to promote U.S. medical and pharmaceutical companies. The U.S. Commercial Service provides a wide range of services, including the Gold Key Service and the International Partnership Search, which help U.S. companies explore opportunities in Lebanon. Moreover, the U.S. Commercial Service organizes events and exhibitions to promote U.S. products and services in Lebanon. For more information about the U.S. Commercial Service's events and services, visit <http://www.export.gov/lebanon>

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Ministry of Public Health: <http://www.moph.gov.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

U.S. Commercial Service: <http://www.export.gov/lebanon>

For additional information on Lebanon's market for drugs and pharmaceuticals, please contact the Embassy by e-mail at Naaman.Tayyar@trade.gov.

Medical Equipment (MED)

Overview

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	Unit: USD thousands			
	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	233,000	239,000	244,000	247,000
Total Local Production	1,000	1,000	1,000	1,000
Total Exports	12,000	8,000	5,000	4,000
Total Imports	244,000	246,000	248,000	250,000
Imports from the U.S.	58,000	63,000	68,000	74,000
Exchange Rate: 1 USD	LL 1507.5	LL 1507.5	LL 1507.5	LL 1507.5

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Lebanese Customs statistics – Section 18 / Chapter 90.

Lebanon's market for U.S. medical equipment increased by 10 percent in 2011 compared to 2010, with total imports valued at \$246 million. This growth can be attributed to the high quality of U.S. medical equipment and its competitive value due to the weakness of the dollar in relation to the euro. U.S. medical exports to Lebanon reached \$63 million in 2011, and U.S. market share exceeded 25 percent. According to local experts, medical imports to Lebanon for the coming two years are expected to witness the same growth that occurred in 2010 and 2011.

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U.S. products have an advantage over European products in the medical sector due to their high quality and long record of success in the Lebanese market, according to industry to industry specialists. Moreover, demand for these products is increasing due to the weakness of the dollar in relation to euro.

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Lebanon is an ideal location for establishing a regional office to cover the Levant, including Iraq, since the Lebanese market has traditionally been used as a platform for testing U.S. products prior to introducing them to the rest of the Levant market. Partnerships with local companies are very common in the medical and healthcare sectors.

The U.S. Commercial Service provides a wide range of services including the Gold Key service and the International Partnership Search which help U.S. companies explore opportunities in Lebanon. Moreover, the U.S. Commercial Service organizes events and exhibitions to promote U.S. products and services in Beirut. For more information about the U.S. Commercial Service's events and services, visit <http://www.export.gov/lebanon>.

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Ministry of Public Health: <http://www.moph.gov.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

U.S. Commercial Service: <http://www.export.gov/lebanon>

For additional information on Lebanon's market for medical equipment, please contact the Embassy by e-mail at Naaman.Tayyar@trade.gov.

Plastic Materials/Resins (PMR)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	408,000	446,000	487,000	530,000
Total Local Production	0	0	0	0
Total Exports	111,000	123,000	136,000	149,000
Total Imports	519,000	569,000	623,000	679,000
Imports from the U.S.	19,000	22,000	25,000	29,000
Exchange Rate: 1 USD	LL1507.5	LL1507.5	LL1507.5	LL1507.5

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Lebanese Customs statistics – Section 7 / Chapter 39.

Lebanon's market for plastic raw materials witnessed growth of nine percent in 2011 compared to 2010, with total imports valued at \$569 million. U.S. exports to Lebanon reached \$22 million in 2011, and the U.S. market share was five percent in 2011. According to local experts, imports of raw materials for plastics to Lebanon for the coming two years are expected to witness the same growth that occurred between 2010 and 2011.

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Local production of raw material for plastics is negligible. Therefore, Lebanon imports all its raw materials in the form of granules, which are processed in Lebanon and used in the Lebanese market. Around 25 percent of the processed granules are re-exported to other countries.

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There are no specific opportunities or events in Lebanon geared to promote U.S. suppliers of plastics. However, the U.S. Commercial Service provides a wide range of services including the Gold Key Service and the International Partnership Search which help U.S. companies explore opportunities in Lebanon. Moreover, the U.S. Commercial Service organizes events and exhibitions to promote U.S. products and services in Beirut. For more information about the U.S. Commercial Service's events and services, visit <http://www.export.gov/lebanon>.

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Lebanese Customs Authority: <http://www.customs.gov.lb>

U.S. Commercial Service: <http://www.export.gov/lebanon>

For additional information on Lebanon's market for plastics, please contact the Embassy by e-mail at Naaman.Tayyar@trade.gov.

Apparel (APP)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	556,000	566,000	574,000	578,000
Total Local Production	210,000	210,000	210,000	210,000
Total Exports	68,000	83,000	101,000	122,000
Total Imports	414,000	439,000	465,000	490,000
Imports from the U.S.	10,000	10,000	10,000	10,000
Exchange Rate: 1 USD	LL1507.5	LL1507.5	LL1507.5	LL1507.5

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Lebanese Customs statistics – Section 11 / Chapters 61, 62.

Lebanon attracts a large number of Arab tourists every year who significantly boost retail activity in the country, resulting in steady growth in the apparel sector. U.S. apparel exports to Lebanon reached \$10 million in 2011, constituting around 2.2 percent of total apparel imports to Lebanon. According to local experts, these exports are expected to increase gradually in the coming two years. Many U.S. brands, including Tommy Hilfiger, Nautica, Marc Jacobs, Seven Jeans, Rock and Republic Jeans, Citizens of Humanity Jeans, True Religion Jeans, and Polo Ralph Lauren are very popular in the Lebanese market.

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Demand for casual wear in Lebanon is increasing. Consequently, demand for U.S. apparel has been increasing steadily, since most Lebanese consider U.S. brands to be the leader in casual wear, according to industry specialists.

Lebanese buyers regularly travel to the Magic Apparel Show in Las Vegas and the Coterie Show in New York to explore the latest trends in the U.S. fashion industry.

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The U.S. Commercial Service provides a wide range of services, including the Gold Key Service and the International Partnership Search, which help U.S. companies explore opportunities in Lebanon. Moreover, the U.S. Commercial Service organizes events and exhibitions to promote U.S. products and services in Beirut. For more information about the U.S. Commercial Service's events and services, visit <http://www.export.gov/lebanon>.

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Lebanese Customs Authority: <http://www.customs.gov.lb>
U.S. Commercial Service: <http://www.export.gov/lebanon>

For additional information on Lebanon's market for apparel, please contact the Embassy by e-mail at Naaman.Tayyar@trade.gov.

Education Services (EDS)

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	2009/2010	2010/2011
Total Market Size	210,211	224,050
Total Lebanese Students enrolled in universities	180,850	192,138
Total Foreign Students enrolled in universities	29,361	31,912
Lebanese Students in the U.S.	1,608	1,462

(Figures are estimates in numbers of students and based on Institute of International Education (IIE) and the Lebanese Ministry of Education statistics)

Lebanon has one of the best educational systems in the Middle East. There are currently 224,050 students enrolled in public and private schools throughout Lebanon, and over 1,400 Lebanese students are currently studying in the United States.

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The number of Lebanese students in the U.S. decreased by 9.1 percent during the 2010/2011 school year compared to 2009/2010 due to the advanced Lebanese educational system and the increasing cost of education in the U.S.

U.S. educational franchises are doing well in Lebanon. The U.S. franchise New Horizon, which provides computer training, captures over 40 percent of the Lebanese market. The U.S. franchise Berlitz, which provides language training, has approximately 25 percent of the market.

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Institute of International Education (IIE): <http://www.iie.org/en>

Ministry of Education and Higher Education: <http://www.higher-edu.gov.lb>

For additional information on Lebanon's market for education services, please contact the Embassy by e-mail at Maya.Barhouche@trade.gov.

Agricultural Sectors

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According to Lebanese customs statistics (chapters 1-24), Lebanon's total agricultural imports reached \$3.181 billion in 2011. Of that total, \$169 million or 5.3 percent were from the United States. Major U.S. agricultural exports to Lebanon include cereals (\$82 million), edible fruits and nuts (\$23 million), miscellaneous edible preparations (\$18 million), animal or vegetable fats and oils (\$6 million), tobacco (\$5 million), dairy products (\$4 million), meat (\$4 million), beverages, spirits, and vinegar (\$2 million)

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Lebanese Customs Authority: <http://www.customs.gov.lb>

For additional information on Lebanon's market for agricultural products, please contact the Embassy by e-mail at Naaman.Tayyar@trade.gov.

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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More than 83 percent of imported goods are subject to duties equal to or below five percent. The Lebanese customs website (<http://www.customs.gov.lb>) provides a searchable database that displays import duties by tariff number.

Trade Barriers

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Trade measures affect less than one percent of imports and exports of goods and can be imposed by 10 Lebanese government state bodies. Measures include prohibitions and requirements for licenses, technical certificates, veterinary certificates, and phyto-sanitary certificates. All goods subject to import and export prohibitions are also prohibited from transiting Lebanon. A limited number of goods (e.g. weapons) are subject to more than one trade measure. To find out whether a specific product is subject to non-tariff barriers, consult the Lebanese customs website at <http://www.customs.gov.lb> or Lebanon's Non-Tariff Measure Survey published on the World Trade Organization (WTO) trade section of the Ministry of Economy and Trade's website at http://www.economy.gov.lb/public/uploads/files/6663_7005_5324.pdf.

Lebanon adheres to the Arab League boycott of Israel. Enforcement is selective, as many goods on the boycott list are available in the Lebanese market. The Arab League's Central Boycott Office maintains a blacklist of U.S. firms that are believed to contribute to Israel's military or economic development. In accordance with U.S. anti-boycott regulations, U.S. companies may not certify that their products do not come from Israel. If there appears to be any request that might be in support of boycotts, companies should contact the Bureau of Industrial Security (BIS) in the U.S. Department of Commerce (<http://www.bis.doc.gov>).

Import Requirements and Documentation

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Import processing requires the following documents:

- Declaration form based on the Single Administrative Document (SAD)
- Bill of lading
- Packing list
- Commercial invoice (original)
- Delivery order (to prove ownership of goods)
- Quietus from the Social Security Office (must not be expired at the day of registration of SAD), required only for commercial and trade establishments
- Contract of sale between importer and seller in the country of exportation or a letter of credit from the bank stating that the invoice value is paid or will be paid in a specified time limit (may be requested for value verification only in case customs officers doubt the invoice value)
- Certificate of origin, issued by the authorized party of the country of exportation if the invoice does not mention the origin of the goods, or in case the importer wishes to benefit from preferential treatment if the exporter is not approved by the customs authorities of the exporting country
- Depending on the type of imported good, a number of other documents may also be required, including import licenses, certificates of conformity to mandatory standards, or phyto-sanitary certificates

Export processing requires the following documents:

- Declaration form based on the Single Administrative Document (SAD)
- Packing list
- Commercial invoice (original)
- Export order
- Quietus from the Social Security Office (must not be expired at the day of registration of SAD), required only for commercial and trade establishments
- Certificate of origin issued by the Ministry of Industry and certified by the Lebanese Customs Authorities for exporting goods to Europe in accordance with protocol number 4 with the EU
- Depending on the type of exported good, a number of other documents may also be required including export licenses, certificates of conformity and export certificates for quality verification for all food products of plant origin, and agricultural health certificates

U.S. Export Controls

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Lebanon is not subject to special sanctions. In principle, all exports require a license, though in practice the vast majority of U.S. exports fall under a “general license” that allows export without obtaining permission from BIS in the U.S. Department of Commerce (<http://www.bis.doc.gov>). When doing business with Lebanon, U.S exporters should consider the below U.S. export regulations:

- For a number of items, specific export licenses are required. These items include products whose high-tech nature implies that export may involve a national security risk. Contacting BIS will enable an exporter to determine whether or not a specific item requires a license. If a specific license is required, one of the considerations will be the reliability of the end-user. Government agencies and companies with a solid business reputation are more likely to be granted a license.

- U.S. companies need to verify whether the U.S. government has blacklisted a particular Lebanese company or individual as a result of past violations of export regulations or for other reasons. U.S. companies should consult the BIS Denied Persons List and the Treasury Department's Office of Foreign Assets Control lists of designated companies and individuals, which are available online at <http://www.bis.doc.gov/dpl/default.shtm> and <http://www.treasury.gov/Pages/default.aspx>.

Temporary Entry

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There are two types of permits for the entry of temporary goods into Lebanon.

Customs grants a regular temporary entry permit to foreign products that will be manufactured or finished in Lebanon and then re-exported outside Lebanon or displayed in free zones. This permit is valid for six months renewable provided that such period shall not be for more than two years.

The director general of Customs may grant a special temporary entry permit for a range of products intended for temporary use. However, the period of the permit is limited to three months. Goods subject to the special permit include the following:

- Equipment and machinery used in public works, archeology, cinema, and journalism.
- Items intended or used for maintenance and repair.
- Items temporarily imported for display or use in public or private exhibitions, seasonal fairs, forums, theaters, artistic shows, and play grounds.
- Jewelry and ornaments intended for display in public exhibitions. Empty containers or packages to be filled in Lebanon and re-exported or full containers or packages to be emptied in Lebanon and then re-exported.

The items should be re-exported or stored in the free zone or a public warehouse at the end of the authorized period of temporary entry status.

The products mentioned above may be temporarily imported by using ATA books rather than the regular entry declarations. The period of import is set at six months.

Labeling and Marking Requirements

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Labels should include the net weight of the product, manufacture, production and expiry date, ingredients, and the country of origin. Labels should be printed on the imported goods in either Arabic, English, or French. Products with Hebrew labels are not accepted. For more information, please contact the Ministry of Economy and Trade at <http://www.economy.gov.lb>.

Prohibited and Restricted Imports

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Prohibited imports that are strictly prohibited by laws, regulations, and decisions of relevant authorities or by virtue of the International Agreements in which Lebanon is a party or a member include the following:

- Cedar seeds and seedlings (to protect Lebanese cedar species)
- Chemical improvers used in bread making (health measure)

- Table salt not containing iodine (health measure)
- Waste/slag/ash/scrap of many chemical, mineral, and metal products (environmental measure)
- Clinker and black cement (protection of local industry)
- Passenger vehicles older than eight years and transport vehicles older than five years (environmental measure)
- Used medical and radiological apparatus (health measure)
- Gas-fueled pocket lighters (safety measure)
- Wireless phone sets that function on the 900 Megahertz bandwidth
- Goods bearing false marks and labels indicating their origin
- Goods manufactured in or originating from Israel

Monopolized and restricted goods must be treated similarly to prohibited goods upon import and export, therefore such goods should be seized whenever a license, permit or any other legal document are not attached thereto or whenever irrelevant documents are attached thereto.

Customs Regulations and Contact Information

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Lebanon follows the harmonized system for its tariff regime. Lebanon's modern customs law simplifies and expedites customs procedures, adopts international standards for the valuation of goods, applies modern and fair dispute settlement procedures, allows for electronic declaration of goods, and fosters the development of industrial and free zones. This law has reduced delays and administrative burdens in clearing imported products through customs at the airport and ports, but exporters are advised to contact local customs agents to expedite the clearing process. Customs has been very active in introducing online operations for its automated clearance system, thereby allowing traders and custom brokers to enter and track customs declarations online. When fully implemented, users will be able to register online, as well as assess and pay declarations directly from their bank accounts.

For further information on customs procedures, please refer to the Lebanese customs website at <http://www.customs.gov.lb>

Key contacts:

General Directorate of Customs

Beirut, Lebanon

Tel: 961-1-980060/1/2/3

Fax: 961-1-983256

Higher Council for Customs

Beirut, Lebanon

Tel: 961-1-988500/1

Fax: 961-1-988080

Standards

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The Lebanese Standards Institution, known as LIBNOR, is the sole authority in Lebanon charged with issuing, publishing, and amending Lebanese standards. A number of state bodies (including the Ministries of Telecommunications, Energy and Water, Industry, Public Health, Environment, Agriculture, Economy and Trade, and Transport and Public Works) issue technical regulations related to products in the form of ministerial decisions and decrees issued by the cabinet. LIBNOR develops an annual update of standards.

Standards Organizations

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LIBNOR is the sole authority to give the right to use the Lebanese Conformity Mark (NL Mark). Programs for drafting standards are set annually. LIBNOR's board of directors approves the annual plans, submitted by LIBNOR's director general, for preparing new standards or amending existing ones. The annual program for drafting standards is also available through LIBNOR's website at <http://www.libnor.org>.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus>.

Conformity Assessment

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The following six laboratories are the main national testing bodies in Lebanon:

- The laboratories of the Industrial Research Institute (IRI), affiliated with the Ministry of Industry, test for all types of products.
- The central laboratory at the Ministry of Public Health (for food products).
- The laboratory of the Agricultural Research Institute at the Ministry of Agriculture (for food products).
- The American University of Beirut laboratory of chemistry and pharmacology.
- The French Medical Institute laboratory of chemistry and pharmacology at Saint Joseph University.

- The nuclear medicine laboratory at Notre Dame du Liban Hospital.
- The National Council for Scientific Research laboratory under the Lebanese Atomic Energy Commission.
- The Quality Control Center laboratory at the Chamber of Commerce, Industry, and Agriculture of Tripoli and North Lebanon.
- The Food Quality Center laboratory at the Chamber of Commerce, Industry, and Agriculture of Zahle and the Bekaa.

Product Certification

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The Industrial Research Institute provides certificates of quality or conformity with standards and purchase requirements. Certificates of conformity or quality issued by foreign companies, such as SGS and Veritas, are also honored in Lebanon. In addition, several ministries issue certificates of conformity. The Ministry of Agriculture has the authority to issue certificates of conformity for exported agricultural products. The Ministry of Economy and Trade issues conformity and export certificates at the request of the exporter. The Ministry of Public Health issues health certificates at the request of the exporter. There are no mutual responsibility agreements with U.S. organizations.

Accreditation

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Conseil Libanais D'Accreditation (Colibac), which is part of the Ministry of Industry, is the only accreditation body in Lebanon. The IRI laboratories are the authorized chemical and micro-biological laboratory used for accreditation.

Publication of Technical Regulations

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Once the LIBNOR board committee agrees on draft standards, LIBNOR announces a trial period of two months. This announcement is sent directly to the National News Agency, several local newspapers, all members of the technical committee, local state television and LIBNOR's website. Board members may also publish the draft standard or make it known to the relevant bodies they represent. Once adopted, all standards and decrees are published in Lebanon's official gazette. Because Lebanon is not yet a WTO member, there is no formal procedure for notification. U.S. entities can comment on technical regulations via e-mail to LIBNOR.

Labeling and Marking

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Labels on containers and packages require the display of the size, weight or quantity of the goods contained therein, manufacture, production and expiry date, ingredients, and the country of origin. The consumer protection division at the Ministry of Economy and Trade currently enforces the law. Failure to comply with the requirements subjects the violator to penalties.

Contacts

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LIBNOR is the national inquiry point in Lebanon on standards and technical regulations resulting from conversion of standards.

LIBNOR

Maatouk Bldg
City Rama Street, Sin El-Fil
PO Box 55120
Beirut, Lebanon
Tel: 961-1-485 927/8
Fax: 961-1-485 929
E-mail: info@libnor.org
Website: <http://www.Libnor.org>

The standards point of contact at the U.S. Embassy in Beirut can be reached at <http://www.export.gov/lebanon>

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Lebanon is traditionally a country with a free and open trade regime. Efforts towards trade liberalization have been focused on the European Union (EU), the World Trade Organization (WTO), and the Arab world.

Lebanon has neither a free trade arrangement nor a bilateral investment treaty with the United States, although on December 1, 2006, the two countries signed a Trade and Investment Framework Agreement (TIFA). The TIFA helps both countries promote an attractive investment climate, expand trade relations, and remove impediments to trade and investment.

Lebanon is seeking to accede to the WTO. Having gained observer status in 1999, Lebanon held its seventh working party meeting in October 2009.

Lebanon's Euro-Mediterranean Partnership agreement came into force in April 2006. The agreement provides for reciprocal free trade on the majority of industrial goods. It also liberalizes trade on a large basket of agricultural and processed agricultural goods. The Euro-Med Partnership aims at establishing a free trade area for the Mediterranean region; efforts to achieve this goal are ongoing.

In 2004, Lebanon and the European Free Trade Association (EFTA) signed a free trade agreement (FTA). In November 2010, Lebanon and Turkey signed an association agreement establishing a free trade area that will reduce barriers to the free movement of goods, services, capital, and people between the two countries over the next ten years. Lebanon has also signed the Greater Arab Free Trade Agreement (GAFTA), which gradually replaced the bilateral FTAs signed with Arab countries including Tunisia, Morocco, Egypt, Iraq, Jordan, Syria, and the Gulf Cooperation Council states. A regional Economic and Trade Association Council between Lebanon, Syria, Jordan, and Turkey was announced in July 2010.

Lebanon has signed bilateral investment agreements with the following countries (in alphabetical order): Armenia, Austria, Azerbaijan, Bahrain, Belarus, Belgium/Luxemburg, Benin, Bulgaria, Canada, Chad, Chile, China, Cuba, Cyprus, Czech Republic, Egypt, Finland, France, Gabon, Germany, Greece, Guinea, Hungary, Iceland, Italy, Jordan, Kuwait, Malaysia, Mauritania, Morocco, Netherlands, OPEC Fund, Pakistan, Qatar, Romania, Russia, Slovakia, South Korea, Spain, Sudan, Sultanate of Oman, Sweden,

Switzerland, Syria, Tunisia, Turkey, Ukraine, the United Arab Emirate, the United Kingdom, and Yemen.

Lebanon has signed bilateral tax conventions with 32 countries, but not with the United States.

More information about trade agreements can be found at the Ministry of Economy and Trade's website at <http://www.economy.gov.lb>.

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Lebanese Customs Authority: <http://www.customs.gov.lb>.

LIBNOR: <http://www.libnor.org>.

Ministry of Economy and Trade (MoET): <http://www.economy.gov.lb>.

Ministry of Industry: <http://www.industry.gov.lb>.

Bureau of Industrial Security (BIS): <http://www.bis.doc.gov>.

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Openness to Foreign Investment

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Lebanon is a country that, by tradition, remains open to foreign direct investment. Over the last eight years, the Government of Lebanon (GoL) has passed several laws and decrees to encourage such investment. The Investment Development Authority of Lebanon (IDAL) possesses the authority to award licenses and permits for new investments in specific sectors. IDAL also has the authority to grant special incentives, exemptions, and facilities to large projects, whether implemented by local or foreign investors. IDAL has further expanded its support to encourage agricultural exports through a new program, the Agri-Plus program, providing financial incentives and different promotional and marketing activities to qualified exporters. IDAL also facilitates the creation of strategic international-local partnerships through joint ventures, equity participation, acquisition, and other vehicles. .

Lebanon has many investment-enabling strengths that have encouraged foreign companies to set up offices in the country. Lebanon's key advantages include a free-market economy, the absence of controls on the movement of capital and foreign exchange, a highly-educated labor force, good quality of life, and limited restrictions on investors.

Lebanon was affected by domestic political instability and regional turmoil in 2011, which contributed to a drop in tourism activity, a decline in capital inflows, and a slowdown in new investment. As a result, the International Monetary Fund (IMF) has projected that

growth could reach two percent in 2011 (versus an annual average of eight percent during 2007-2010) and three to four percent in 2012. Growth will be driven primarily by private consumption, while private investment is projected to stall. The banking sector continues to record significant capital inflows, albeit at a slower pace than during previous years. Capital inflows dropped by 20 percent in the first eleven months of 2011, reaching approximately \$11.9 billion (compared to \$14.8 billion for the first eleven months of 2010) due to the decline in tourism activity and foreign direct investment. Remittances, however, remained relatively stable at \$7.6 billion, according to the World Bank's latest estimates. For the first time in nine years, capital inflows could not offset the trade deficit and resulted in a balance of payments deficit of \$2.7 billion in the first eleven months of 2011. If domestic and regional conditions remain as is, banking sources do not forecast a further contraction in capital inflows in 2012.

The GoL is expected to increase capital investment in 2012, should it ratify the 2012 budget, which would boost public spending and could have an adverse impact on the budget deficit. While the public deficit and public debt could be a major issue of concern for investors, the GoL -- in line with the IMF -- stresses that the debt-to-GDP ratio has been on a downward trend over the last five years and was projected to reach 130-percent in 2011, down from 160-percent in 2009. While the finance ministry has been keen to maintain this positive trend, banking sources forecast this ratio to worsen in 2012 due to the anticipated increase in wages and capital spending in the absence of revenue enhancement measures. Given the high liquidity in the domestic banking sector, the GoL should not face difficulties in rolling over sovereign maturities in 2012.

The banking sector has adopted a consolidation strategy, putting on hold domestic and regional expansion given uncertainty about the near term regional outlook. Banking sources believe that prospects for the medium term look encouraging, however, given anticipated significant reforms on the political, economic, and social fronts in addition to improved governance taking place in the region. This is likely to improve economic efficiency with a corollary effect on demand for financial sector services. Lebanese banks that have expanded in the region in recent years could reap the benefits of growth in demand for these services.

Some issues continue to cause frustration among local and foreign businessmen. Impediments include red tape and corruption, arbitrary licensing decisions, complex customs procedures, archaic legislation, an ineffectual judicial system, high taxes and fees, flexible interpretation of laws, and weak enforcement of intellectual property rights. These factors have pushed the International Finance Corporation (IFC) in its 2012 report to rank Lebanon 104 out of 183 countries worldwide and 11 out of 19 MENA countries in terms of ease of doing business. Lebanon improved in only two out of the ten indicators considered: getting electricity (up five spots) and resolving insolvency (up three spots). Lebanon's scores fell in the categories of starting a business, dealing with construction permits, getting credit, protecting investors and paying taxes. Its ranking remained unchanged in the categories of registering property, trading across borders and enforcing contracts.

The government continues to express a strong commitment to improving the business environment as well as encouraging domestic and foreign investment and public-private partnerships, but some efforts have slowed. The Ministry of Economy and Trade's (MoET) amendments to the Code of Commerce to further streamline business are pending parliamentary approval. A revised Public-Private Partnership (PPP) Law has

been finalized and is awaiting cabinet's approval. Ratification of the PPP legislation could open new opportunities for local and international private sector investment in Lebanon. In 2011, 38 foreign companies, including six U.S. companies, opened offices or branches in Lebanon, according to statistics from the MoET.

Lebanon received mixed results in the World Bank's 2010 World Governance Indicators. The results showed marginal improvement year-on-year but still reflected a weak level of governance in Lebanon. Regarding individual indicators used in the survey, Lebanon improved in terms of voice and accountability (measuring citizens' ability to participate in government selection, freedom of expression, freedom of association, and a free media), government effectiveness, regulatory quality (measuring market-friendly policies and laws) and rule of law and regressed in terms of political stability and control of corruption.

While the priority for the GoL is to maintain stability given regional political turmoil, it recorded progress on sectoral fronts: work continued to upgrade and expand telecommunications services; the cabinet endorsed most of the decrees required to launch the licensing round of bids for oil exploration; and the parliament endorsed a law to increase electricity production by 700 megawatts (MW).

Lebanon is consistently rated near the bottom of the world in terms of internet download speed, but the sector saw some notable improvements during 2011. The Ministry of Telecommunications (MoT) finalized Lebanon's connection to the submarine IMEWE (India-Middle East-Western Europe) ultra high capacity fiber optic submarine cable, which has gradually resulted in higher internet speeds across the country. The MoT is also working on a comprehensive plan for the telecommunications sector that it expects to launch by mid-2012. The plan would include amendments to Law 431 (on the privatization of telecommunications, endorsed in 2002) taking into consideration new developments in the information technology (IT) sector such as mobile virtual network operators, liberalization of services, content providers, and other issues. The MoT announced an expansion plan for mobile networks, to be completed by August 2012. The MoT is implementing projects to improve landline and mobile network infrastructure, to enhance coverage and quality of service, and to expand internet bandwidth. The MoT started broadband expansion, contracting with two companies to connect local telephone centers with fiber optic networks, and plans to build a new submarine cable with the Republic of Cyprus to secure international bandwidth capacity. In the mobile sector, the MoT launched 3G services in October 2011 with complete coverage across Lebanon expected to be available by May 2012.. Meanwhile, the GoL continues to contract the management of the two government-owned cellular companies to private operators. In December 2011, the Telecommunications Regulatory Authority (TRA) renewed a total of 22 licenses for data and service providers, and there is potential for additional licensing when political conditions improve.

As for the power sector, on September 22, 2011, Parliament endorsed a bill to transfer \$1.2 billion to the Ministry of Energy and Water (MoEW) for projects to increase electricity production by 700 MW. These projects are part of the MoEW policy paper for the power sector endorsed by the cabinet in June 2010, which aims to reach gradually 4000 MW generation capacity in 2014. These projects offer good opportunities for U.S. technology and investors.

On January 4, 2012, the cabinet endorsed implementation decrees for offshore oil and gas exploration implementing the Hydrocarbon Law the parliament passed in August 2010, and announced that it will appoint the members of the Petroleum Regulatory Authority in one month. Once the Petroleum Authority is in place, the MoEW expects to launch the first round of licensing for offshore oil and gas exploration in the first half of 2012 with the contract award by end 2012/early 2013. Lebanon submitted a unilateral claim of the southern limit of its EEZ to the United Nations in July 2010. Lebanon endorsed the Maritime Law, covering delimitation of maritime borders and its entire EEZ, in August 2011. Despite a maritime dispute between Lebanon and Israel over some 860 square km, the GoL is moving forward with exploratory activities in waters that are not claimed by Israel, which constitute the vast majority of Lebanon's declared exclusive economic zone.

In October 2011, the MoEW presented to the cabinet a national water strategy that included construction of dams, hill lakes, wastewater treatment plants, transmission and distribution networks, storage tanks and consumer meters. The ministry is keen to attract private sector participation to water projects. If implemented, the plan offers good opportunities for U.S. technology.

Other infrastructure projects also offer opportunities to foreign investors. The Council for Development and Reconstruction (CDR) is responsible for tendering and procuring funding for government physical infrastructure projects (electricity, telecommunications, roads, and public transport); social infrastructure (education, public health, social and economic development, land use, and environment); basic services (water supply, wastewater, and solid waste management); and productive sectors (agriculture, irrigation, ports, airports, tourism, and government buildings). Public infrastructure opportunities lie primarily in roads and highways, ports, electricity, education, solid waste management, wastewater, and water supply. As of the end of 2011, the CDR possessed a total of \$1.7 billion in loans and protocols ratified by parliament but not yet disbursed. .

A foreigner can establish a business under the same conditions that apply to a Lebanese national, provided the business is registered in the Commercial Registry. Foreign investors who do not manage their business from Lebanon do not need to apply for a work permit. However, foreign investors who own and manage their business from Lebanon must apply for an employer work permit and a residency permit. The employer work permit stipulates that the investor's share in the capital not be less than \$67,000 and that the investor pledge to hire three Lebanese and register them at the National Social Security Fund (NSSF) within six months. All companies established in Lebanon must abide by the Lebanese Commercial Code and regulations and are required to retain the services of a lawyer. The judiciary upholds the sanctity of contracts. There are no sector-specific laws on acquisitions, mergers, or takeovers, except for bank mergers.

Lebanese law does not differentiate between local and foreign investors, except in land acquisition (see property section below). Foreign investors can generally establish a Lebanese company, participate in a joint venture, or establish a local branch or subsidiary of their company without difficulty. Specific requirements apply for holding and offshore companies, real estate, insurance, media (television and newspapers), and banking.

The establishment of joint-stock corporations, limited liability, and offshore and holding companies is allowed under Lebanese law. A joint-stock corporation (Societe Anonyme Libanaise - SAL) is governed by Legislative Decree No. 304, dated January 24, 1942, under the Commercial Code. Limitations related to foreign participation include a general limitation on management participation (Article 144 stipulates that the majority of the board of directors should be Lebanese); indirect limitation with regard to acquisition of capital shares (Article 147); limitation on capital shares with regard to public utilities (Article 78); and limitation on capital shares and management with regard to exclusive commercial representation (Legislative Decree No. 34/67, dated August 5, 1967). In the financial sector, most establishments, including banking and insurance, must take the form of a joint-stock company.

A limited liability company (Societe a Responsabilite Limitee - SARL) is governed by Legislative Decree No. 35, dated August 5, 1967. It can be fully owned by non-Lebanese, and the management of the company can be controlled by non-Lebanese.

Holding and offshore companies follow the legal form of a joint-stock corporation and are governed by Legislative Decree No. 45 (on holdings) and Legislative Decree No. 46 (on offshore companies), both dated June 24, 1983, and amended by Law No. 19, dated September 5, 2008. A foreign non-resident chairman/general manager of a holding or an offshore company is exempt from the obligation of holding work and residency permits. Law No. 772, dated November 2006, exempts holding companies from the obligation of having two Lebanese persons or legal entities on their board of directors. All offshore companies must register with the Beirut Commercial Registry. Offshore banking, trust, and insurance companies are not permitted in Lebanon.

Law No. 296, dated April 3, 2001, which amended the 1969 Law No. 11614, governs foreign acquisition of property. The new law eased legal limits on foreign ownership of property to encourage investment in Lebanon, especially in industry and tourism; abolished discrimination for property ownership between Arab and non-Arab nationals; and lowered real estate registration fees from six percent for Lebanese and 16 percent for foreigners to five percent for both Lebanese and foreign investors. The law permits foreigners to acquire up to 3,000 square meters of real estate without a permit; acquiring more than 3,000 square meters requires cabinet approval. Cumulative real estate acquisition by foreigners may not exceed three percent of total land in each district. Cumulative real estate acquisition by foreigners in the Beirut region may not exceed 10 percent of the total land area. The law prohibits acquisition of property by individuals not holding an internationally recognized nationality. This restriction is primarily aimed at preventing Palestinian refugees residing in Lebanon from permanently settling in the country.

Measure	Year	Index/Ranking
TI Corruption Index	2011	134
Heritage Economic Freedom	2012	90
World Bank Doing Business	2012	104

There are no restrictions on the movement of capital, capital gains, remittances, dividends, or the inflow and outflow of funds. The conversion of foreign currencies or precious metals is unfettered. Foreign currencies are widely available and can be purchased from commercial banks or money dealers at market rates. There are no delays in remitting investment returns except for the normal time required by the banks to carry out transactions.

Expropriation and Compensation

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Land expropriation in Lebanon is relatively rare. The Law on Expropriation (Law No. 58, dated May 29, 1991, Article One), as well as Article 15 of the Constitution, clearly specifies that expropriation must be "for the public utility" and calls for fair and adequate compensation. Compensation is paid at the time of expropriation and is often perceived as below market value. The government does not discriminate against U.S. investors, companies, or their representatives in expropriation.

The government, with the agreement of the parliament, established three real estate companies to encourage reconstruction and development in Greater Beirut: private corporation "SOLIDERE" for Beirut's downtown commercial center, public company "ELYSSAR" for the southwest suburbs of Beirut, and public company "LINORD" for northern Beirut. While LINORD has been dormant for years, Elyssar's projects have recently stalled. These companies have been granted the authority to expropriate certain lands for development, although in doing so they have faced serious legal challenges from landowners and squatters. Several court cases are still pending against SOLIDERE after 16 years of litigation.

Dispute Settlement

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Over the last few years, the government has faced problems with previously awarded contracts and resorted to international arbitration to resolve them. In 2005, the International Chamber of Commerce's Arbitration Court issued rulings favorable to the two private operators of the cellular network, Cellis (which is two-thirds owned by France Telecom) and Libancell, whose contracts were terminated by the government in 2001. The government negotiated a settlement and paid them compensation. The government has also recently settled a dispute with a Chinese contracting company working to expand the northern port of Tripoli.

Cases in Lebanese courts are not settled rapidly because of archaic procedures, a shortage of judges, inadequate support structures, and a traditional slowness in the handling of cases. Politicians and powerful lobbying groups sometimes interfere in the court system. Local courts accept investment agreements drafted subject to foreign jurisdiction, if they do not contradict Lebanese law. Judgments of foreign courts are enforced subject to the "exequatur" obtained.

The commercial code (Book No. 5, Articles 459-668) and the penal code govern insolvency and bankruptcy. By law, a secured creditor has a right to share in the assets of a bankrupt party. Verdicts involving monetary values in contract cases are made according to the currency of the contract or its equivalent in Lebanese Lira at the official conversion rate on the day of the payment.

The Lebanese Center for Arbitration was created by local economic organizations, including the four Lebanese chambers of commerce, industry, and agriculture. The Center acts as an arbitrator in solving domestic and international conflicts related to trade and investment. Its statutes are similar to those of the International Chamber of Commerce in Paris.

Lebanon has an administrative judicial system that handles all kinds of disputes involving the state. The government accepts binding international arbitration of investment disputes related to contracts between foreign investors and the state. In the case of a concession granted by contract by the state, the government does not accept binding international arbitration unless the contract includes an arbitration clause that obtained prior approval by cabinet decree. However, there is an exception for investors of countries that have achieved a signed and ratified investment protection agreement with Lebanon that stipulates international arbitration in case of dispute. Lebanon is a member of the International Center for the Settlement of Investment Disputes (ICSID - Washington Convention). In 2007 Lebanon ratified the New York Convention of 1958 on the recognition and enforcement of foreign arbitral awards. Lebanese law is in conformity with both conventions.

Performance Requirements and Incentives

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The law imposes no performance requirements on investments. There are no requirements on foreign investors regarding geographic location, amount of local content, import substitution, export expansion, technology transfer, offset requirements, or source of financing. Investors are not required to disclose proprietary information as part of the regulatory approval process, except in the case of banks, which must obtain the Banque du Liban's (BdL) approval for transfer of ownership of shares in most cases (BdL circulars are posted on www.bdl.gov.lb).

Foreign investors enjoy the same incentives as local investors. Foreigners doing business in Lebanon through a company, factory, or office must have work and residency permits. There are no discriminatory or excessively onerous visas, residence, or work permit requirements. Registration with a chamber of commerce is required for the import and handling of a limited number of products that are subject to control requirements for safety reasons, but products with special import requirements constitute less than one percent of total tradable goods. Registration at the chambers of commerce is required for ensuring that established facilities meet safety, handling, and storage requirements.

The Investment Law divides Lebanon into three investment zones, with different incentives provided in each zone, and it encourages investments in the fields of technology, information, telecommunications and media, tourism, industry, and agriculture and agro-industry. Incentives include facilitating issuance of permits for foreign labor, tax incentives ranging from a 50 percent tax reduction for five years on income tax and tax on the distribution of dividends to total exemption of these taxes for ten years starting from the date of operation (tied to the issuance of the first invoice), and exempting companies that list 40 percent of their shares on the Beirut Stock Exchange from income tax for two years. The Investment Law also allows for the introduction of tailor-made incentives through package deals for large investments projects, regardless of the project's location, including tax exemptions for up to 10 years, reductions on construction and work permit fees, and a total exemption on land registration fees. IDAL

may exempt joint-stock companies that benefit from package deal incentives from the obligation of having a majority of their board of directors be Lebanese (Law No. 771, dated November 2006). Investors who seek to benefit from facilities in the issuance of work permits under "package deals" must hire two Lebanese for every foreigner and register them with the NSSF.

Other laws and legislative decrees provide tax incentives and exemptions depending on the type of investment and its geographical location. Industrial investments in rural areas benefit from tax exemptions of six or ten years, depending on specific criteria (Law No. 27, dated July 19, 1980, Law No. 282, dated December 30, 1993, and Decree No. 127, dated September 16, 1983). Exemptions are also available for investments in south Lebanon, Nabatiyeh, and the Bekaa Valley (Decree No. 3361, dated July, 2, 2000). For example, new industrial establishments manufacturing new products will benefit from a 10-year income tax exemption. Factories currently based on the coast that relocate to rural areas or areas in south Lebanon, Nabatiyeh, and the Bekaa Valley benefit from a six-year income tax exemption.

The government reduces to five percent the tax on dividends for companies listed on the Beirut Stock Exchange (BSE), companies that open up 20 percent of their capital to Arab companies listed on their country's stock exchange or foreign companies listed on the stock exchange of OECD countries, and companies that issue Global Depository Receipts (GDRs) amounting to a minimum value of 20 percent of their shares listed on the BSE.

Domestic and foreign investors may benefit from a 4.5 percent subsidy on interest on new loans granted after 1/1/2012 amounting to up to \$10 million per project (with a ceiling of \$40 million) provided by banks, financial institutions, and leasing companies to industrial, agricultural, tourism, and information technology establishments. The subsidy extends for a maximum of seven years. Investors can also benefit from loan guarantees from Kafalat, a semi private financial institution that assists small and medium-sized enterprises (SME) in accessing subsidized commercial bank loans.

Domestic and foreign investors may also benefit from new regulations issued by the BdL in summer 2009 and valid until December 30, 2012, exempting commercial banks from obligatory reserves on Lebanese Lira and U.S. dollar deposits against new loans for housing, business and educational premises, education, and environmentally friendly projects. This change enables banks to grant loans at lower interest rates, and in the fall 2010, the BdL expanded this program to help lending for all projects that save energy.

Customs exemptions are granted to industrial warehouses for export purposes. Companies located in the Beirut Port or the Tripoli Port Free Zone benefit from customs exemptions and are exempt from the value-added tax (VAT) for export purposes. They are also not required to register their employees with the NSSF if they provide equal or better benefits.

Right to Private Ownership and Establishment

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The right to private ownership is respected in Lebanon. Foreign private entities can establish, acquire, and dispose of interests in business enterprises and can engage in all kinds of remunerative activities.

The concept of a mortgage exists, and secured interests in property, both movable and real, are recognized and enforced. Such security interests must be recorded in the Commercial Registry and the Real Estate Registry. The Real Estate Law governs acquisition and disposition of all property rights by Lebanese nationals, while Law No. 296, dated April 3, 2001, governs real estate acquisition by non-Lebanese (see A.1 - property section).

Lebanon's legislation generally aims to provide Trade-Related Intellectual Property Rights (TRIPS) intellectual property rights (IPR) protection, although Lebanon is still in the process of acceding to the World Trade Organization (WTO). The MoET Intellectual Property Protection Office (IPPO) has spearheaded efforts to improve the IPR environment, though increased political will and additional resources are needed. In collaboration with WIPO, MoET conducted several public and in-house seminars in 2011, focusing on raising awareness and improving technical capabilities. The IPPO is also collaborating with the European Patent Office to implement the Industrial Property Automation System (IPAS), which is used to automate IPR business and administrative processes from application reception to registration, including post-registration actions such as amendments, assignment, renewal, and annuities.

During 2011, the GoL and the U.S. Government began working together to develop an action plan and a bilateral IPR working group to foster ongoing mutual communication and sharing of best practices regarding outstanding IPR issues that keep Lebanon on the Special 301 watch list (the United States Trade Representative-led annual review of intellectual property protection worldwide). The establishment of the Cyber Crime and Intellectual Property Unit at the Internal Security Forces (ISF) in 2006 has led to moderate progress in IPR enforcement. During 2011, the government raided a number of shops and warehouses and seized counterfeit material. Although cable television piracy persists, following a series of lawsuits from major cable TV operators, illegal cable providers are now paying a fee to the respective right holders. Meanwhile, the International Intellectual Property Alliance (IIPA) noted that the level of software piracy reached 72 percent in 2010 with losses totaling \$28 million. According to the IIPA, despite the efforts of Lebanese authorities to improve the intellectual property environment, piracy remains a serious challenge -- particularly in the areas of business software, retail piracy, and growing Internet-based and mobile device piracy.

The Business Software Alliance (BSA) ranked Lebanon 39 worldwide and fifth in the MENA region in terms of software piracy in 2010, unchanged from 2009. The BSA annual report indicated Lebanon's piracy rate remained unchanged at 72 percent, while piracy-related losses totaled \$49 million in 2010, up from \$46 million in 2009. Unauthorized copies of internationally patented pharmaceuticals continue to be approved by the Ministry of Public Health, although Decree No. 571 issued in 2008 contains requirements on the treatment of undisclosed information in registration applications.

Existing intellectual property rights laws cover copyright, patent, trademarks, and geographical elements.

-- Lebanon's 1999 Copyright Law largely complies with WTO regulations and needs only minor amendments to become fully compatible. The new law allows educational

institutions and students to copy legitimately acquired software for non-commercial use. Registration of copyrights in Lebanon is not mandatory, and copyright protection is granted without the need for any registration.

-- A modern and TRIPS-compatible Patent Law, approved in 2000, provides general protection for semiconductor chip layout designs and plant varieties, but no adequate coverage is provided for trade secrets. Amendments to the Patent Law, regarding undisclosed information, are still being studied by the relevant ministries.. The Lebanese legal regime does not require examination, prior to registration, of patents for novelty, utility, and innovation. Simple patent deposit is required at the MoET, where the application is examined only for conformity with general laws and ethics.

-- The Council of Ministers approved the draft of a new industrial design and trademark law in October 2007 and a geographical indications law in May 2007, and both now await parliamentary ratification. While the 1924 Law on Industrial Property does not require examination of trademarks and calls for simple deposit, partial examination of trademarks prior to registration became the norm starting in 2001. Registration of industrial and commercial trademarks takes about two weeks.

-- Lebanon signed the Singapore Treaty on Trademarks in December 2006, and the treaty is awaiting parliamentary ratification.

-- Lebanon's parliament ratified the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty (WPPT) in February 2010. Ratification documents have not yet been deposited with WIPO, however, because implementation of these treaties requires an amendment to Lebanon's copyright law that has been submitted and is awaiting parliament's consideration and passage.

-- Lebanon signed a Trade and Investment Framework Agreement (TIFA) with the United States in November 2006. (See section B.)

-- Lebanon has been pursuing WTO accession since 1999. A USAID-funded technical assistance project staffed by consultants from PricewaterhouseCoopers and Booz Allen Hamilton worked with the GoL from May 2000 to October 2007 (and with Middle East Partnership Initiative funding from November 2007 to September 2009) to revise, update, and draft appropriate laws to facilitate WTO accession. In December 2009, USAID renewed this project, contracting Booz Allen Hamilton to continue providing support for Lebanon's WTO accession for the next three years, with a current emphasis on bolstering the private sector's capacity to hold the government accountable for needed trade reforms.

Transparency of Regulatory System

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Private sector companies should be wary when bidding for public projects. Transparency, clear regulations, and fair consideration of bids have never been the rule in Lebanon. There is no one specific law regulating all aspects of government procurement in Lebanon. Government administrations often award contracts by mutual agreement, without calling for a tender, and the government does not always establish clear rules of the game.

In Lebanon, the procedures necessary for business entry, operation, and exit are not streamlined. However, the process does not discriminate against foreign investors.

Red tape plagues bureaucratic procedures. International companies are faced with an unpredictable, opaque operating environment and often encounter unanticipated obstacles or costs late in the process. Even so, according to the World Bank's Doing Business 2012 report, it still takes entrepreneurs five steps and nine days to start a business in Lebanon, compared to the average of 8.2 steps and 20.9 days in the MENA region. The report may be accessed at <http://www.doingbusiness.org>.

The MoET launched in December 2011 a project to assess and redesign the overall business processes of the ministry, expected to be finalized in mid-2012. The purpose is to improve the quality of the services offered to citizens, reduce the number of complaints and automate value-added processes.

The government does not publish proposed laws and regulations in draft for public comment. Even so, the normal practice when preparing legislation is to form a drafting committee composed of both public and private sector stakeholders. However, Telecom Law No. 431 requires the TRA to issue regulations in draft for public consultation in an effort to ensure full transparency and enable the general public to play a role in shaping future regulations. In general, legal, regulatory, and accounting systems are consistent with international norms.

The Ministry of Finance (MoF) has increased disclosure and publication of information building up to ten regular publications by 2011 on public finance, debt, foreign trade, and foreign aid, in addition to thematic reports and annual budget brief notes, all available online. The monthly report "Salaries, Wages and Related Benefits" was launched in February 2011. The "Citizen Budget 2010," developed in collaboration with the Lebanese Transparency Association (LTA) to facilitate the ordinary citizen's understanding of the government budget revenues and spending was also published and disseminated in 2011.

As part of the National Network for Access to Information, the LTA, MoF and other stakeholders, helped draft laws on access to information and whistleblower protection, both which still await parliamentary ratification.

Under its Lebanon Anti-Bribery Network, the LTA also launched the Code of Ethics and Whistleblower Protection for small and medium enterprises (SMEs) and provided a workshop for owners and directors of companies on the importance of ethics and on ways of applying the code.

Efficient Capital Markets and Portfolio Investment

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Lebanon places no restrictions on the movement of capital in or out of the country, whether for investment or other purposes. The government permits the free exchange of currencies, precious metals, and monetary instruments, both domestically and internationally. According to the World Bank's latest estimates, remittance inflows to Lebanon remained constant at \$7.6 billion for 2011, or 21.4 percent of total remittances to the MENA region. Lebanon is considered by the World Bank to be one of the top recipients of remittances among developing countries. Remittances as a share of GDP reached 18 percent in 2011.

Credit is allocated on market terms, and foreign investors can get credit facilities on the local market. The private sector has access to overdrafts and discounted treasury bills, in addition to a variety of credit instruments, such as housing, consumer, or personal loans, and loans to SMEs. The International Finance Corporation (IFC) and the European Investment bank (EIB) have been separately extending financial facilities through the Lebanese banking sector to help SMEs in specific productive sectors, such as high-tech, industry, and tourism. Since 2007, the Overseas Private Investment Corporation (OPIC) has extended \$300 million in credit line guarantees through Citibank to select Lebanese banks for private sector lending.

The Beirut Stock Exchange (BSE) quotes six commercial banks, one investment fund, 25 sovereign Eurobond issues (22 in U.S. dollars, two in euros, and one in Lebanese Lira), and four companies, including "SOLIDERE," one of the largest publicly held companies in the region. Trading is a combination of auction and continuous trading. In spring 2008, the BSE authorized e-trading. Legislation allows the listing of tradable stocks or papers on the BSE. On August 4, 2011, the Parliament endorsed both the Insider Trading Law and the Capital Markets Law to regulate and supervise capital market activity. The appointment of the National Council for Financial Markets in Lebanon, which would act similarly to the U.S. Securities and Exchange Commission, awaits political consensus. The Capital Markets Law calls for the corporatization and then privatization of the BSE within a two-year period. The BSE suffers from lack of liquidity and efficiency with low trading volumes in the absence of significant institutional investors. Lebanon hosts the headquarters of the Arab Stock Exchange Union.

The banking regulatory system is transparent and consistent with international norms. Banks conform to Bank for International Settlement (BIS) standards and International Accounting Standards (IAS). In September 2010, the Banking Control Commission (BCC) mandated full implementation of International Financial Reporting Standards (IFRS) 9 as of January 1, 2011, for banks and financial institutions operating in Lebanon. The BCC performed a self-assessment on the implementation of the new 25 core principles for effective banking supervision and implemented an action plan for compliance in 2010, and the BdL and BCC are following up preparations by the Financial Stability Board (of Basel) regarding a third version of core principles for effective banking supervision. In 2011, the BdL issued three circulars for corporate governance in the banking sector.

Lebanon has legislation regulating issuance of and trading in bank equities. Law No. 308 on unification of bank shares allows banks to increase their capitalization and shareholder base, as well as to optimize trading of bank shares on the BSE. Parliament has ratified a law on asset securitization. There are no restrictions on portfolio investment, and foreign investors can invest in Lebanese equity and fixed income paper.

The banking system enjoys a high capital adequacy ratio, which reached around 11.5 percent in June 2011, compared to eight percent as set by Basel II, and the Lebanese banking sector has complied with Pillar I and II of the Basel II Accord (new capital adequacy ratio and supervisory review process on economic capital of banks respectively). The BdL and the BCC will continue issuing new circulars requiring banks to comply with Pillar III (transparency and market discipline) of Basel II and IFRS No. 7 in 2011. The BdL and the BCC have established a steering committee to follow up on the new Basel III Accord, as set by the Basel Committee in December 2009. In

December 2011, the BdL issued a circular that sets an agenda for the implementation of Pillar I of Basel III with more conservative rules, such as raising total equity capital adequacy ratio to reach progressively 12 percent in 2015 (compared to the eight percent required by Basel III).

International banks established in Lebanon, such as Standard Chartered Bank, Emirates Lebanon Bank, HSBC, and Citibank, remain active. Many sectors are dominated by traditional businesses in the hands of commercially powerful families. The government is trying to improve the transparency of such firms in order to help solidify an emerging capital market for company shares.

The total domestic assets of Lebanon's five largest commercial banks reached about \$66.6 billion in 2010 (or about 48 percent of total banking assets) and \$73.5 billion by the end of September 2011, according to BdL data. Meanwhile, the total consolidated assets of Lebanon's five largest commercial banks reached about \$89.7 billion in 2010 (or 58 percent of total banking assets) and \$95 billion by the end of September 2011. About 3.8 percent of total loans were estimated as non-performing by end-September 2011, compared to 4.3 percent in 2010. Banks maintained around 81.6 percent provisions against non-performing loans as of September 2011, while the remaining 18.4 percent are covered by adequate collateral.

Lebanon is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF) and received its first MENAFATF Mutual Evaluation during the Tenth Plenary held November 9-11, 2009, in Beirut. Lebanon was upgraded from "partially compliant" to "largely compliant" on several core recommendations, including timely feedback by Lebanon's financial intelligence unit (FIU). As a result of this improvement, Lebanon was subject to only a normal review, and presented its first Follow Up report highlighting progress achieved during the Fourteenth MENAFATF Plenary in September 2011. The next Follow Up report will be released within 18 months of the previous one.

Competition from State Owned Enterprises

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The GoL has a monopoly in the utility sector (Ogero for telecom landlines, and two mobile companies; Electricite du Liban [EDL] for electricity production and transmission; and four water authorities); for a casino (Casino du Liban, a mixed public-private enterprise); in tobacco procurement, manufacturing, and sales (La Regie des Tabacs et Tombacs); as well as for the national airline (Middle East Airlines-MEA), whose monopoly expires in 2012. Other major SOEs include the Beirut, Tripoli, Sidon, and Tyre ports; the Rashid Karami International Fair (in northern Lebanon); the Sport City Center; Intra (a mixed public-private investment company) and two real estate development entities, ELYSSAR and LINORD.

While, by law, electricity production is restricted to EDL, there are numerous private investors operating generators across the country that sell electricity to citizens at much higher prices than EDL during power cuts. This sector remains unregulated. EDL has awarded a few concessions to privately-owned companies for power distribution in specific regions, and these companies have expressed interest in producing electricity to meet customer demand.

The SOEs are subject to oversight by the concerned ministries. They have independent boards staffed primarily by politically-affiliated individuals appointed by the cabinet. The

SOEs are required by law to publish an annual report and submit their books for independent audits.

The GoL plans to liberalize the telecommunications sector and restructure and corporatize EDL in order to involve the private sector in the building and operation of power plants, as well as the distribution of electricity. However, progress on these issues has proved elusive, due to the current political climate. Meanwhile, MEA has put on hold its plans to list 25 percent of its shares on the BSE as a first step toward privatization pending an improvement in investor confidence in order to ensure that its shares will not be undervalued when traded on the BSE.

Corporate Social Responsibility

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In the last four years, Lebanese firms have become increasingly aware of corporate social responsibility (CSR), good governance, and the value of providing information to customers. Firms who pursue CSR are viewed favorably. The American-Lebanese Chamber of Commerce has been active in promoting CSR through its Better Business Value seminars, and the LTA reports that more companies are approaching it for corporate governance assessments and its corporate governance guidelines and toolkits for family-owned enterprises and listed companies.

Political Violence

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Political violence has declined since the spate of car bombings and assassinations that followed the withdrawal of Syrian forces from Lebanon in 2005. Sporadic clashes between groups from different confessions and political factions continued, however, as the turmoil in neighboring Syria added to Lebanon's existing fault lines. The public feared that as the crisis in Syria continued to worsen, it would further spill into neighboring Lebanon, and there were numerous instances of incursions by Syrian forces across the border into Lebanese territory (much of the border is undemarcated, contributing to further instability on the border). UNIFIL forces suffered three separate attacks in 2011 – against Italian troops in May, and against French forces in July and December; each attack resulted in injuries but no fatalities. No group admitted responsibility for these attacks, and the perpetrators remain at large.

Lebanon is one of several countries for which the U.S. Department of State has issued Travel Warnings because of long-term, protracted conditions that make a country dangerous or unstable. U.S. companies and visitors are advised to assess carefully the situation in Lebanon by consulting the Department's Travel Warning and its Consular Information Sheet at <http://travel.state.gov>. These documents contain essential security and safety information on travel to Lebanon.

The U.S. government considers the potential threat to U.S. Embassy personnel assigned to Beirut sufficiently serious to require them to live and work under significant security restrictions. These practices limit, and may occasionally prevent, the movement of U.S. Embassy officials and the provision of consular services in certain areas of the country. American visitors are encouraged to contact the Embassy's Consular Section for the most recent safety and security information concerning travel to Lebanon.

Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud>.

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Lebanon is a signatory to the UN Anticorruption Convention, but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Lebanon is not a signatory to the OECD

Antibribery Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Lebanon ratified the UN Anticorruption Convention in April 2009.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>). Lebanon is neither a member of the OAS, nor a signatory to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) Lebanon is not a signatory to the Council of Europe Criminal Law and Civil Law Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Lebanon has neither a bilateral investment treaty (BIT) with the U.S. nor an agreement on the avoidance of

double taxation. However, the U.S. has signed a Trade and Investment Framework Agreement (TIFA) with the Government of Lebanon in December, 2006 to help promote an attractive investment climate, expand trade relations, and remove obstacles to trade and investment between the two countries.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department's U.S. and Foreign Commercial Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Corruption in Lebanon:

There is rampant corruption when dealing with the public sector. According to Transparency International's (TI) 2011 Corruption Perception Index (CPI), Lebanon ranked 134 out of 183 countries worldwide and 14 out of 20 MENA countries. Although

Lebanon's CPI score remained unchanged from 2010, its scores for the past three years have been the lowest since its inclusion in the index. TI noted that the country's "deeply entrenched nepotism networks" made civil society efforts against corruption very difficult, while anti-corruption legislation exists but is not properly enforced. The LTA blames political paralysis for preventing the passage of various legal reforms (including draft laws against illicit enrichment, access to information, and whistleblower protection) on which the organization has been closely involved to combat corruption. The index measures the perception of corruption by public officials and politicians and focuses on corruption in the public sector, defined as an abuse of official power for private interests.

The International Finance Corporation (IFC) and the LTA signed an MOU on October 11, 2007, to establish the Institute of Directors (IoD, on Corporate Governance) in Lebanon, which became operational in 2010. The IFC provided a \$250,000 grant for the institute, which will provide training courses on corporate governance, offer consultancy services, carry out research and educational activities, and organize awareness-raising private sector events in Lebanon and the MENA region. In 2011, the IoD launched a guidebook focused on Corporate Governance stories and solutions in the MENA region.

The LTA held several anti-corruption seminars and awareness campaigns in 2011.

Under the framework of the Lebanese Advocacy and Legal Advice Center hotline, the LTA continued to provide free legal advice to victims and witnesses of corruption and to organize outreach sessions to approach marginalized groups. LTA also finalized a 2010 municipal elections monitoring report and took part in the activities of the Civil Campaign for Electoral Reforms.

Lebanon has laws and regulations to combat corruption, but these laws are not always enforced. According to Lebanese law, it is a criminal act to give or accept a bribe. The penalty for accepting a bribe is imprisonment for up to three years, with hard labor in some cases, and a fine equal to at least three times the value of the bribe. Bribing a government official is also a criminal act. The Central Inspection Directorate is responsible for combating corruption in the public sector, while the public prosecutor is responsible for combating corruption in the private sector. In April 2009, Lebanon ratified the UN Convention against Corruption. Lebanon is not a signatory to the OECD Convention on Combating Bribery.

Corruption is more pervasive in government contracts (primarily in procurement and public works), taxation, and real estate registration than in private sector deals. It is widely believed that investors routinely pay bribes to win government contracts, which are often awarded to companies close to powerful politicians. The MoF has implemented reforms aimed at enhancing transparency and fighting corruption including requiring taxpayers to file exclusively through mail and to pay through banks or Liban Post. In 2007, an automated document tracking system for taxpayers' inquiries was implemented and a 24/7 call center was launched, as well as a service enabling taxpayers to handle the Built Property Tax transactions through Liban Post. In 2008, the Tax Procedures Code was ratified, unifying tax procedures, specifying deadlines for tax transactions and defining taxpayers' rights and obligations. The Ministry of Finance launched a portal in 2010, providing access to economic, financial and fiscal information. E-registration and e-filing were launched but are yet to be implemented. The MoF also initiated the development and distribution of the tax calendar in order to increase taxpayers' awareness of their rights and obligations. In 2011, the Revenues and VAT Directorates were merged at the MoF and the collection function was transferred to the

regional tax offices. These services are expected to decrease corruption in the tax sector.

On the customs front, and to ensure trade facilitation, transparency, and security, remote filing of manifests and declarations was introduced in 2011. E-payment of customs operations are expected to be operational in 2012. The ASYCUDAWORLD software (Automated System for Customs Data) is continuously updated by adding new functions and modules, such as the temporary declaration module and automatic calculation of some fees and charges. Customs also established an Intelligence Unit to detect counterfeiting and fraudulent operations.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org>.

Bilateral Investment Agreements

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The U.S. has neither a bilateral investment treaty (BIT) with Lebanon, nor an agreement to prevent double taxation, although Lebanon has expressed an interest in signing both. Preliminary discussions for a BIT began in 2001 but have been pending ever since.

On December 1, 2006, the United States Trade Representative (USTR) and the MoET signed a Trade and Investment Framework Agreement (TIFA). Apart from pledging to foster an environment conducive to mutual trade and investment, the TIFA requires both parties to set up a United States-Lebanon Council on Trade and Investment that would meet twice a year or more to consult on trade and investment impediments and any other issues of concern. The council, which has not yet been set up, will seek and consider the views of private sector representatives in both countries. Under the TIFA, the United States and Lebanon agreed to a consultation mechanism that may be activated by either party within 60 days in the event of a dispute or other development affecting trade relations.

Lebanon signed the Euro-Mediterranean Partnership agreement in 2002, and the interim agreement entered into force in March 2003. The final agreement came into force in April 2006 and the tariff reductions on imported products from the EU started in 2008. In 2004, Lebanon and the European Free Trade Association (EFTA) signed an FTA. In November 2010, Lebanon and Turkey signed an association agreement establishing a free trade area that will reduce barriers to the free movement of goods, services, capital, and people between the two countries over the next ten years. Lebanon has also signed the Greater Arab Free Trade Agreement, which gradually replaced the bilateral FTAs signed with Arab countries including Tunisia, Morocco, Egypt, Iraq, Jordan, Syria, and the Gulf Cooperation Council states. A regional Economic and Trade Association Council between Lebanon, Syria, Jordan, and Turkey was announced in July 2010.

Lebanon has signed bilateral investment agreements with the following countries (in alphabetical order): Armenia, Austria, Azerbaijan, Bahrain, Belarus, Belgium/Luxemburg, Benin, Bulgaria, Canada, Chad, Chile, China, Cuba, Cyprus, Czech Republic, Egypt, Finland, France, Gabon, Germany, Greece, Guinea, Hungary, Iceland, Iran, Italy, Jordan, Kuwait, Malaysia, Mauritania, Morocco, Netherlands, OPEC Fund, Pakistan, Qatar, Romania, Russia, Slovakia, South Korea, Spain, Sudan, Sultanate of Oman,

Sweden, Switzerland, Syria, Tunisia, Turkey, Ukraine, the United Arab Emirate, the United Kingdom, and Yemen.

Lebanon has signed bilateral tax conventions with 32 countries, but not with the United States.

OPIC and Other Investment Insurance Programs

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On February 10, 1981, Lebanon and the United States signed an OPIC agreement in Beirut, but no investment using OPIC insurance coverage was undertaken until 1996. OPIC is currently engaged with Lebanon in three areas: insurance, financing, and investment. Since 2006, OPIC has worked with Citibank on a program that offers loans to the private sector (SMEs, retail, and housing) through selected Lebanese commercial banks. This program began in January 2007, and to date, OPIC has provided \$300 million in credit line guarantees.

The Lebanese government's National Investments Guarantee Corporation (NIGC) continues to insure new investments against political risks, riots, losses due to non-convertibility of currencies, and transfer of profits. Other major trade/investment insurance programs operating in Lebanon include COFACE (France), ECGD (UK), HERMES (Germany), SACE (Italian), and IAIGC (Arab Consortium). Lebanon has been a member of the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank, since 1994.

The U.S. dollar value of the local currency has been pegged at Lebanese Lira (LL) 1,500 to the dollar for the last 16 years, and trading continues to track closely this official rate. The GoL has repeatedly expressed its commitment to maintaining a stable currency. With record high foreign currency assets of over \$32.2 billion as of the end 2011, the BdL has the ability to maintain a stable \$/LL rate for some time. Lebanon has one of most heavily dollarized economies in the world; as of November 2011, 66 percent of bank deposits were dollarized, and businesses commonly accepted payment (and returned change) in a combination of LL and U.S. dollars.

Labor

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The 1946 Labor Law provides for written and oral contracts and specifies a maximum workweek of 48 hours (with several exceptions, notably in agriculture corporations). The law provides for the right of association and the right to organize and bargain collectively. Lebanon is a member of the International Labor Organization (ILO) Convention.

Lebanon's working population (aged 15 and above) totals 1.2 million, including foreign residents but excluding the seasonal work force, according to CAS's 2011 Labor Market in Lebanon report. CAS estimated Lebanon's population in 2007 at 3.75 million, excluding Palestinians in the refugee camps and seasonal workers. Based on this, the IMF has extrapolated the population estimate to reach 3.96 million for 2011. According to CAS, unemployment (aged 15-64) reached six percent in 2009, and rates were higher among women (10 percent) than men (six percent). The unemployment rate is somewhat attenuated because large numbers of Lebanese citizens seek work outside Lebanon, including in Arab countries and the Gulf.

Local unskilled labor is in short supply. Arab (mainly Palestinian refugees and Syrians), Asian, Indian, and African laborers are hired to work in construction, agriculture, industry, and households.

Lebanon has a General Labor Confederation (CGTL), recognized by the government, whose membership is limited exclusively to Lebanese workers. The CGTL's activities are mainly limited to demanding cost-of-living increases and other social benefits. The government/labor relationship remains difficult. Given its own political bias, the CGTL has been sometimes accused of working for its political interests and of being ineffective in fighting for workers' rights.

Foreign-Trade Zones/Free Ports

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Foreign-owned firms have the same investment opportunities as Lebanese firms. Lebanon has two free zones in operation, the Beirut Port and the Tripoli Port. The WTO-compatible Customs Law issued by Decree No. 4461 fosters the development of free zones. The GoL also passed Law No. 18, dated September 5, 2008, to set up a Special Economic Zone (SEZ) in Tripoli to attract investment in trade, industry, services, storage, and other services. Investors will benefit from tax exemptions and other privileges, and USAID has provided technical assistance to the GoL for preparing a feasibility study for Tripoli SEZ (TSEZ) which was completed at the end of 2011. The next steps for the GoL include appointing the TSEZ Authority and implementing laws and decrees to develop the zone. The feasibility study, which started in July 2010, included defining the territorial composition of the zone, assessing the quality and condition of off-site infrastructure, transport logistics, power, telecommunications, water and wastewater requirements, as well as determining administrative, legal, tax, and regulatory barriers for prospective tenants.

Foreign Direct Investment Statistics

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There are no official statistics available on foreign direct investment (FDI). Banking sources estimated that construction and real estate account for the largest part of foreign investment.

The World Bank estimated FDI in Lebanon at \$3.96 billion in 2011 amounting to 9.6 percent of GDP, constituting a decline of 20.5 percent from \$4.98 billion or 12.7 percent of GDP in 2010. Separately, the According to the Arab Investment and Export Credit Guarantee Corporation projected that FDI flows in Lebanon would reach \$3 billion in 2011, down from \$5 billion in 2010, which represents a 39.5 percent drop. Lebanon had been the top per capita recipient of FDI in the region, receiving flows worth an estimated 12.6 percent of GDP in 2010 (versus only 7.2 percent in 2011). FDI inflows to Lebanon were estimated to account for 5.4 percent of total FDI in Arab countries in 2011, down from 7.5 percent of aggregate inflows in 2010. Lebanon is expected to post the fifth steepest drop in FDI in the Arab world and to be among 13 Arab countries that will post a decline in FDI in 2011.

European and Asian companies have won most of the government contracts in the fields of electricity, water, telecommunications, transportation, and infrastructure. This could be attributed to the unstable political and security situation in Lebanon that discouraged

U.S. companies from bidding on projects, bilateral financial protocols signed between Lebanon and some European countries that provide grants and soft-term loans, or corruption and/or undue influence in bidding and contracting processes. However, U.S. companies have won contracts in solid waste treatment and landfill and some contracts in the power sector, air transport, and media.

The U.S. Embassy in Beirut tracks U.S. companies' activities in the Lebanese market. The Embassy actively lobbies to support U.S. companies bidding on projects, providing equal support to all U.S. bidders via letters and direct meetings with senior Lebanese government officials and demanding fair consideration of U.S. companies that are bidding on business opportunities in Lebanon. In some cases, the Embassy and the U.S. Department of Commerce have provided higher-level advocacy from Washington. The Embassy encourages U.S. companies bidding on projects to contact the Embassy's Economic/Commercial Section for assistance and advocacy.

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Association of Lebanese Banks: <http://www.abl.org.lb>

Bank of Lebanon: <http://www.bdl.gov.lb>

Council for Development and Reconstruction (CDR): <http://www.cdr.gov.lb>

Investment Development Authority of Lebanon (IDAL): <http://www.idal.com.lb>

Ministry of Economy and Trade (MoET): <http://www.economy.gov.lb>

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Lebanon has no restrictions on currency conversions and transfers, and no foreign exchange controls affect trading. Around 50 percent of international trade is financed through letters of credit, and the remaining portion is financed through direct transfers. There are no credit rating agencies or collection agencies currently operating in Lebanon. Banks and sovereign Eurobonds are the only entities rated by international rating agencies.

How Does the Banking System Operate

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Lebanon has one of the most sophisticated banking sectors in the region. Bank secrecy is strictly enforced, but the Banque du Liban (BdL) regulates all financial institutions and money exchange houses. In April 2001, Lebanon adopted Law No. 318, which created a framework for lifting bank secrecy, mandated suspicious transaction reporting, required financial institutions to obtain and maintain records of customer identification information, and facilitated access to banking information and records by judicial authorities.

Foreigners can open accounts in banks operating in Lebanon and get credit on market terms. The Banking Control Commission (BCC) closely monitors bank credits, and all credit transactions are subject to timely and accurate disclosure. The National Institute for the Guarantee of Deposits (NIGD) insures up to LL 5 million (about \$3,317) of Lebanese and foreign currency deposits in commercial banks. Bank financial statements are in compliance with international accounting standards. Independent auditors audit annual accounts, and most banks utilize internationally recognized accounting firms.

Foreign-Exchange Controls

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Lebanon imposes no foreign exchange controls. The foreign exchange market provides free currency convertibility and perfect capital mobility.

U.S. Banks and Local Correspondent Banks

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Below is a list of U.S. banks operating in Lebanon:

CITIBANK N.A.

Bloc A, 3rd floor
Berytus Park, Park Avenue
Beirut Central District
P.O.Box 11-1535
Beirut, Lebanon
Tel: 961-1-962447
Fax: 961-1-962443
<http://www.citigroup.com>

BNY MELLON (Representative Office)

Atrium Bldg, 3rd floor
Maarad Street, Nejme Square
P.O.Box 2011-4102
Beirut, Lebanon
Tel: 961-1-988788
Fax: 961-1-989001
<http://www.bnymellon.com>

JP MORGAN CHASE BANK (Representative Office)

Bloc B, 16th floor, Suite No.1601
Clemenceau Street, Gefinor Center,
Beirut, Lebanon
P.O.Box 11-5133
Beirut, Lebanon
Tel: 961-1-739583
Fax: 961-1-739581
<http://www.jpmorgan.com>

Below is a list of the top 10 Lebanese commercial banks (ranked by assets as of September 2011) with correspondent U.S. banking arrangements:

AUDI BANK S.A.L.

Banque Audi Plaza, Bab Idriss
Omar Daouk Street
P.O.Box 11-2560
Beirut, Lebanon
Tel: 961-1-994000
Fax: 961-1-990555
<http://www.banqueaudi.com>

BLOM BANK S.A.L.

BLOM Bank Bldg
Rashid Karamah St, Verdun
P.O.Box: 11-1912
Beirut, Lebanon
Tel: 961-1-738938; 961-1-743300
Fax: 961-1-738946
<http://www.blom.com.lb>

BYBLOS BANK S.A.L.

Byblos Bank Tower,
Elias Sarkis Avenue, Ashrafieh
P.O.Box: 11-5605
Beirut, Lebanon
Tel: 961-1-335200
Fax: 961-1-339436
<http://www.byblosbank.com.lb>

FRANSABANK S.A.L.

Fransabank Center, Hamra Street
P.O.Box: 11-0393
Beirut, Lebanon
Tel: 961-1-340180/8; 01-745761/4
Fax: 961-1-354572
<http://www.fransabank.com>

BANKMED S.A.L.

Mediterranee Group Center
482 Clemenceau Street
P.O.Box: 11-0348
Beirut, Lebanon
Tel: 961-1-373937
Fax: 961-1-362706
<http://www.bankmed.com.lb>

SOCIETE GENERALE DE BANQUE AU LIBAN S.A.L.

Sehnaoui Bldg, Riad El-Solh Street
P.O.Box: 11-2955
Beirut, Lebanon
Tel: 961-1-980783
Fax: 961-1-980785
<http://www.sgbl.com.lb>

BANQUE LIBANO-FRANCAISE S.A.L.

Beirut Liberty Plaza
Rome Street, Hamra
P.O.Box 11-0808
Beirut, Lebanon
Tel: 961-1-791332
Fax: 961-1-791332 x 1318
<http://www.eblf.com>

BANK OF BEIRUT S.A.L.

Bank of Beirut Bldg
Foch Street, Beirut Central District,
P.O.Box: 11-7354
Beirut, Lebanon
Tel: 961-1-972972
Fax: 961-1-983999
<http://www.bankofbeirut.com.lb>

CREDIT LIBANAIS S.A.L.

5th Floor, Sofil Center
Charles Malek Ave, Ashrafieh

P.O.Box: 16-6729

Beirut, Lebanon

Tel: 961-1-200028/9

Fax: 961-1-325713

<http://www.creditlibanais.com.lb>

Bank of Beirut and the Arab Countries S.A.L.

BBAC Bldg., 250 Clemenceau Street

Hamra, Beirut

Tel: 961-1-366630

Fax: 961-1-365200

<http://www.bbacbank.com>

Source: *Association of Banks in Lebanon (ABL)*

Project Financing[Return to top](#)

Project financing in Lebanon derives from various sources and is not always clearly defined. According to the Council for Development and Reconstruction (CDR), the government's executive body for redevelopment, at the end of 2010, the cumulative total amount of secured foreign financing amounted to \$9.658 billion, comprised of grants, soft loans, commercial loans, export credits and medium-term loans. As of the end of 2011, CDR had a total of \$1.6 billion in loans (including financing for the private sector) awaiting parliament's approval. In addition, CDR had nearly \$600 million in grants, most of which were pledges that pre-dated the 2007 Paris III donor conference and were earmarked for public investments in reconstruction following the July 2006 war. The CDR has already spent around 75 percent of this assistance. Although donors pledged another \$1.7 billion in project financing at the Paris III conference, the CDR has a limited absorptive capacity and targets annual spending at around \$750 million.

About 30 foreign financing sources are involved in CDR's reconstruction plan, but ten main financing sources have contributed over 90 percent of the agency's total foreign financing. These are the World Bank, the Arab Fund for Economic and Social Development, the European Investment Bank, the Islamic Development Bank, the Governments of Saudi Arabia, Italy, and France, and commercial banks.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov>

SBA's Office of International Trade: <http://www.sba.gov/oit>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/c/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Association of Lebanese Banks: <http://www.abl.org.lb>

Banking Control Commission of Lebanon: <http://www.bccl.gov.lb>
Central Bank of Lebanon: <http://www.bdl.gov.lb>
Council for Development and Reconstruction: <http://www.cdr.gov.lb>

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Chapter 8: Business Travel

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Business Customs

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Lebanese are somewhat formal in their business dealings. At the same time, they will strive to be hospitable. The most common greeting in business is the handshake with direct eye contact. Punctuality is generally expected for business meetings. Meetings are generally conducted in French, Lebanese Arabic, or English. Business cards are commonly used. Dress code is formal in most business and official settings. Gifts are common and are accepted on most occasions.

Lebanon uses the metric system of weights and measures, and the monetary unit is the Lebanese pound (LL), also called the lira. There are no exchange controls, and U.S. dollars circulate freely. Cash is the most common method of payment in Lebanon, but payment by check or credit card is possible nearly everywhere. Bank ATM machines are widespread, and cash may be withdrawn in Lebanese pounds or U.S. dollars.

Travel Advisory

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Lebanon is one of several countries for which the U.S. Department of State has issued Travel Warnings because of long-term, protracted conditions that make a country dangerous or unstable. U.S. companies and visitors are advised to assess carefully the situation in Lebanon by consulting the Department's Travel Warning and its Consular Information Sheet at <http://travel.state.gov>. These documents contain essential security and safety information on travel to Lebanon

Visa Requirements

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Visas are required for entry into Lebanon and may be obtained at Lebanese embassies and consulates (<http://www.lebanonembassyus.org>). Citizens of the following countries can obtain an entry visa upon the arrival at the Beirut International Airport: Andorra, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Azerbaijan, The Bahamas, Barbados, Belarus, Belgium, Belize, Bhutan, Brazil, Bulgaria, Canada, Chile, China, Czech Republic, Costa Rica, Croatia, Cyprus, Denmark, Estonia, Finland, France, Great

Britain, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Liechtenstein, Luxembourg, Macedonia, Macau (S A R), Malaysia, Malta, Mexico, Moldova, Monaco, Netherlands, New Zealand, Norway, Palau, Panama, Peru, Poland, Portugal, Russia, Romania, Saint Kitts & Nevis, Samoa, San Marino, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Tajikistan, Turkey (exclusively at the airport), Trinidad and Tobago, Turkmenistan, USA, Ukraine, Uzbekistan, Venezuela, Yugoslavia.

Travelers whose passports contain Israeli stamps or visas are routinely refused entry at the airport. If holders of Arab passports possess passports that contain Israeli stamps or visas, they may be subject to arrest and imprisonment. Persons, including dual national Lebanese, suspected of having traveled to or via Israel may also be subject to interrogation or detention.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy in Lebanon: <http://lebanon.usembassy.gov>

Telecommunications

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International calls are expensive. The domestic public phone network (managed by the traditional public operator – OGERO) is generally reliable. Lebanon has two GSM networks that are owned by the government but are managed by two private companies (Zain Group and Orascom Telecom). Various private cellular telephones and fax facilities exist. Prepaid cellular cards are widely available, and cellular phones may be rented for the duration of a visit. Internet service is available starting at a monthly subscription fee of about \$18 (including 10 percent VAT) for limited access and is accessible to visitors at many hotels and internet cafes. DSL, ADSL, HDSL and wireless broadband internet connections are available in Lebanon. The Ministry of Telecommunications (MoT) launched 3G services in October 2011 with complete coverage across Lebanon expected to be available by May 2012.

For more information, please visit <http://www.mpt.gov.lb>

Transportation

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Lebanon lacks adequate public transportation, but private, un-metered taxis and shared cabs are abundant in and around the capital. Rental cars are readily available at a daily cost of \$20 and up, depending on the type and model of the car.

Although many international airlines serve Beirut, a 1984 U.S. Presidential Determination prohibits direct air links between the United States and Lebanon.

Language

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Arabic is the official language in Lebanon, but French and English are widely spoken.

Health

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Most pharmaceuticals and health-related products are readily available in the local market. American companies such as Pfizer, Merck Sharp & Dohme (MSD), and Johnson & Johnson have representative offices in Lebanon. Private hospitals in Beirut and surrounding areas provide modern care, but doctors and hospitals normally expect immediate cash payment for services if a client does not show evidence of locally accepted health insurance coverage.

Local Time, Business Hours, and Holidays

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Local time is GMT +2 in the winter, and GMT +3 in the summer.

Government offices hours are as follows:

- 8:00 a.m. - 2:00 p.m. Monday through Thursday
- 8:00 a.m. - 11:00 a.m. on Friday
- 8:00 a.m. - 1:00 p.m. on Saturdays

Bank counters are generally open on the following schedule:

- 8:30 a.m. - 2 p.m. Monday through Friday
- 8:00 a.m. - 12:00 p.m. Saturdays

Private office hours vary and some exceed the 40-hour workweek.

The following dates are considered holidays in Lebanon during 2012:

New Year's Day (Jan. 2); Armenian Christmas Day (Jan. 6); St. Maroun's Day (Feb. 9); Prophet Mohammad's Birthday (Variable); Annunciation Day (March 25); Good Friday Western Rite (April 6); Easter Monday, Western Rite (April 9); Good Friday Eastern Rite (April 13); Easter Monday, Eastern Rite (April 16); Labor Day (May 1); Martyr's Day (May 6); South Liberation Day (May 25); Assumption Day (August 15); Feast of Ramadan (Variable); Feast of Al-Adha (Variable); Independence Day (Nov. 22); Moslem New Year- Al-Hejra (Variable); Ashoura (Variable); and Christmas Day (Dec. 25).

In the case of Lebanese holidays which fall on Saturday or Sunday, Lebanese government regulations prohibit the granting of an alternate day of holiday, except for Labor Day.

Temporary Entry of Materials and Personal Belongings

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There are no restrictions on the temporary entry of goods and equipment. Temporary importation of commercial samples, professional equipment and goods for use at trade fairs and exhibitions such as computers, repair tools, photographic and film equipment, musical instruments, industrial machinery, vehicles, jewelry, clothing, medical appliances, aircraft, race horses, art work, prehistoric relics, ballet costumes and rock group sound systems require a temporary admission document known as ATA (Admission Temporaire) carnet, which can be exclusively obtained from the Chambers of Commerce. By presenting an ATA carnet to Lebanese customs, the imported products and equipment pass duty and tax-free into the country for up to one year. At

the end of the year, all the items listed on the carnet must be returned to the temporary exportation country. Video, audio disks and tapes may be subject to search and seizure.

For more information, please visit:

http://www.customs.gov.lb/customs/laws_regulations/Trader_guides.asp

<http://www.ccib.org.lb/Services/ATA.aspx>

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Chamber of Commerce Industry and Agriculture of Beirut and Mount Lebanon:

<http://www.ccib.org.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

Lebanese Embassy in the U.S.: <http://www.lebanonembassyus.org>

Ministry of Telecommunications: <http://www.mpt.gov.lb/>

Ministry of Economy and Trade: <http://www.economy.gov.lb>

State Department Visa Website: <http://travel.state.gov/visa>

U.S. Embassy in Lebanon: <http://lebanon.usembassy.gov>

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Chapter 9: Contacts, Market Research and Trade Events

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Contacts

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Ministries

- Ministry of Administrative Reform: <http://www.omsar.gov.lb>
- Ministry of Agriculture: <http://www.agriculture.gov.lb>
- Ministry of Culture: <http://www.culture.gov.lb>
- Ministry of Displaced: <http://www.ministryofdisplaced.gov.lb>
- Ministry of Education & Higher Education: <http://www.higher-edu.gov.lb>
- Ministry of Economy and Trade: <http://www.economy.gov.lb>
- Ministry of Energy and Water: <http://www.energyandwater.gov.lb>
- Ministry of Environment: <http://www.moe.gov.lb>
- Ministry of Finance: <http://www.finance.gov.lb>
- Ministry of Foreign Affairs and Emigrants: <http://www.emigrants.gov.lb>
- Ministry of Industry: <http://www.industry.gov.lb>
- Ministry of Information: <http://www.ministryinfo.gov.lb>
- Ministry of Interior and Municipalities: <http://www.moim.gov.lb>
- Ministry of Justice: <http://www.justice.gov.lb>
- Ministry of Labor: <http://www.clu.gov.lb/english/ministry/index.html>
- Ministry of National Defense: <http://www.lebarmy.gov.lb>
- Ministry of Post and Telecommunications: <http://www.mpt.gov.lb>
- Ministry of Public Health: <http://www.moph.gov.lb>
- Ministry of Public Works and Transport: <http://www.transportation.gov.lb>
- Ministry of Social Affairs: <http://www.socialaffairs.gov.lb>
- Ministry of Tourism: <http://www.destinationlebanon.gov.lb>
- Ministry of Youth and Sports: <http://www.shabab-ryada.org.lb>
- Presidency of the Council of Ministers: <http://www.pcm.gov.lb>

Public Agencies

- Central Bank of Lebanon: <http://www.bdl.gov.lb>
- Council for Development and Reconstruction: <http://www.cdr.gov.lb>
- Investment Development Authority of Lebanon: <http://www.idal.com.lb>
- National Archives: <http://www.can.gov.lb>
- OGERO: <http://www.ogero.gov.lb>
- Port of Beirut: <http://www.portdebeyrouth.com>

Trade Association

- American Lebanese Chamber of Commerce: <http://www.amcham.org.lb>

- Association of Banks in Lebanon: <http://www.abl.org.lb>
- Association of Lebanese Industrialists: <http://www.ali.org.lb>
- Beirut Chamber of Commerce, Industry and Agriculture: <http://www.ccib.org.lb>
- Beirut Trader's Association: <http://www.beiruttraders.org> -- International Chamber of Commerce: <http://www.iccwbo.org>
- Lebanese Businessmen Association: <http://www.rdcl.org.lb>
- Lebanese Franchise Association: <http://www.lfalebanon.com>
- Professional Computer Association: <http://www.pca.org.lb>

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

<http://www.iktissadevents.com>

<http://www.confex-lebanon.com>

<http://www.ifpexpo.com>

<http://www.promofair.com.lb>

<http://www.bielcenter.com>

<http://www.hospitalityservices.com.lb>

<http://www.export.gov/Lebanon>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: <http://www.export.gov>.

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: http://export.gov/lebanon/eg_lb_035718.asp.

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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